Canada's Oil, Gas Future – Pages 37 to 68

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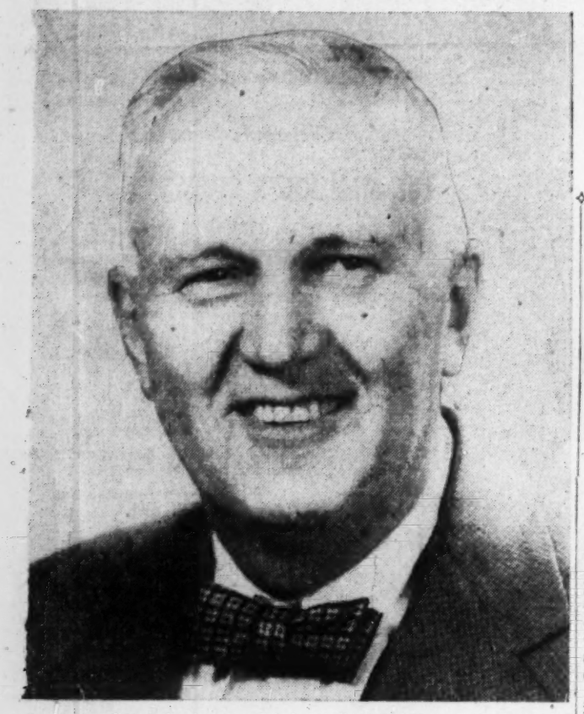
Helps Feed Nation



A clearing house for ideas and information, problems and sales woes for the $40 millions-a-year Ontario fruit and vegetable canning industry, the Ontario Food Processors Assn. represents some 60 member canners and about 30 affiliate members who are supply houses for the canners. This week the Association named M. S. Dixon, director of manufacture, H. J. Heinz Co. of Canada, its new president. He resides at Leamington, Ont.

THE NATION'S BUSINESS

Wise Policy Still Pay As We Go

Unless tax yields increase to an extent which no prudent finance minister could assume then the prospect is for a small federal deficit this year.

This is nothing to get alarmed about. We can't go on expecting bouncing surpluses year after year without some interruption. But any clamor for a complete switch to deficit financing as has been advocated in some quarters which should know better should be most sternly resisted.

Under certain circumstances a government is perfectly justified in spending without regard to immediate income. But that is a policy that must, for obvious reasons, be used very sparingly. It is solely a very temporary and dangerous medicine.

This country is facing no important emergency now, nor is it likely to in the foreseeable future.

True there have been pockets of slackness here and there. The general level of prosperity is not everywhere as great as in the boom years of 1953 and 1952. That, however, is neither alarming nor surprising. After a period of unparalleled expansion, such as Canada has experienced since the end of the war, some adjustments are neither surprising nor unsalutary.

So Mr. Harris will have to be very firm — as he shows every sign of being — about next year's estimates. The current slackness of tax yields, resulting from a certain slackness in parts of the economy, justifies a modest deficit. It does not justify the sort of deficit spending splurge which the classic economists would prescribe as an anti-depression measure. We are not even near a depression. And some of the people who are talking to Ottawa about unemployment — such as the labor unions and the Federation of Mayors — are exaggerating unjustifiably.

Mr. Harris needs to follow a narrow path in his first budget. He would be wrong either to try to slash expenditures or to increase taxes in a desperate attempt to achieve balance. But he would be just as wrong to slash taxes and increase expenditures in a deficit spree such as some of the pessimists are demanding.

* * *

Leduc Set Us Free

It's an old story now, of course, but still one of the biggest in Canadian industrial history.

Less than 10 years ago all but a trickle of the oil used in Canada had to be imported. Not only that but most of it had to be paid for in what were then scarce and hard U. S. dollars.

Then came Leduc and the beginning of the big flow of crude from Western Canada.

Now, despite an enormous increase in consumption since the war, Canada is supplying half her own requirements and in a few years will be able to supply all and more.

Today instead of wondering where we can buy oil and where we can get the necessary foreign currency to finance such purchases our major problem is to find new markets for the steadily increasing flood from our own wells.

In this issue of The Financial Post (pages 37-68) that problem and others concerning the oil and natural gas industry of Canada are fully discussed. This report is helpful to all Canadians.

* * *

We Can't Have It Both Ways

"The Canadian Chamber of Commerce believes that both personal and corporate income taxes are too high for a developing country." So it informed the Government when it presented its annual brief last week. And a nice resounding declaration it is.

We're all against taxes, as we're all against sin. But the Chamber of Commerce doesn't make much of a contribution to the formulation of national policy. The Chamber of Commerce also says that "there should be no relaxation in Canada's defense program." It says: "The greatest danger for Canada lies in the tendency to regard adequate defense expenditures as an emergency need instead of as a permanent part of living in the twentieth century." It supports federal expenditure on health services. It wants better airports. It wants the South Saskatchewan Dam (in a resolution which completely ignores the serious objections to that project uncovered by a Royal Commission). It wants a coastguard service, assisted passages for immigrants, more vigorous natural resources policies.

Indeed, the only suggestion the Chamber of Commerce makes for reducing government expenditure is the hoary one of "economy in ordinary peacetime expenditures" and a careful watch on defense costs. These are both most laudable and necessary aims. The Financial Post has often queried whether Ottawa lives up to them as it should. But we must keep some perspective.

Almost three quarters of our $4.5 billion budget is accounted for in these four major items: Defense, Defense Production, Health and Welfare, and Veterans' Affairs.

Were the economizers to go over all Ottawa's operations with the strictest possible business standards and effect prodigies of "economizing," the effect on income tax rates would still be very small indeed.

The only way to get any serious reduction in our major direct taxes is to get major reductions in the scope of government spending. And no one that we've yet come across is prepared to say what those major reductions should be. On the contrary it's hard to find anybody these days who isn't peddling his own pet plan for increased government spending.

You can have it one way or the other, as Granny used to say, but not both.

Dosco's Sales Drive Means Boom To East

Deals with Mexico, Germany and U. K. ensure full production at Sydney—coal business will also share—Wabana gets major ore order

By PETER NEWMAN

MONTREAL (Staff)—You can take the economic shrouds off Sydney, N.S.

Exports now overflowing from Dominion Steel & Coal Corp. order books have placed the octopus-like company and the City of Sydney in the most favorable business position of their checkered history.

For Cape Breton steel workers, it's an unexpected Christmas present: six-day operation of the giant Dosco Sydney steel mill for the next three years.

Delivery of the new orders—one of the larges single international deals in Canadian business history—will make Dosco a leading exporter of manufactured goods.

The Mexican Pacific Railroad will get $25 millions worth of track; the U.K. has bought 10,000 steel billets; and Germany and Britain will together buy 10.7 million tons of iron ore at an unstated value by 1961.

The first Mexican-bound steel order left Sydney this week. It was the initial load of the largest piece of business ever placed at the east coast steel centre. For Cape Bretonners, this first delivery meant the realization of the brightest industrial news to hit the "Green Isle" in their memories.

The new overseas sales wipe out the dreadful doubt of Maritimers about the future of their largest industry. Already this week in Sydney, retailers were dusting off their shelved modernization and expansion plans. New car sales in the wooded Cape Breton metropolis were booming.

Stock Takes Rise

Dosco stock was certainly celebrating the full order books. At mid-week, common shares had hit $18⅜, close to the all-time 1951 high of $23¼, and double the low of $9¾ recorded earlier this year.

"In slack periods, such a backlog as this is essential for the continuity of employment. We now know that our steel operations are on a sound long-term basis," Dominion Steel & Coal Corp. President L. A. Forsyth told The Post in Montreal.

"The ore sales justify the expenditures to be made to increase the capacity of our mines and improve the quality of our product, and enable us to look forward to the future of Wabana (Nfld.) as one of the important iron ore producers of the western world."

He also told The Post that his subsidiary at Trenton, N.S. (Eastern Car Ltd.) was now building a revolutionary type of coal-burning stoker for home use, which will be sold in the Maritimes and across Canada. The unit, which is expected to be on

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PRICES

(SEE ALSO TREND OF BUSINESS, P. 17)

Eggs quite weak because of heavy production. Market could be in softest stage in four-five years. In Toronto: Around 35c doz. wholesale for A Large, 8c below same time last year. Outlook: Comparatively low prices.

Natural rubber may be in for downtrend, if past experience an indication. When spot No. 1 ribbed smoked sheets of crude hit 28c lb. (New York) last year—which is about the current level—competition from synthetic cut consumption of crude, knocked down prices about 15%.

Cocoa long-term outlook: lower prices. There's currently some stability for beans at around 50c lb. spot Accra, New York, far lower than previous 70c levels but high still. British Africa the major producer, but U.S. companies are backing research projects aimed at increasing Latin American production.

Soybeans could go higher before hitting an expected soft spot early in new year. Price movement depends upon whether North American growers hold or sell current crops. Background: Ontario crop, hit by weather, may total only 4.5 million bu. instead of expected 5.3 million.

Pipeline News Is Good-Bad From East-West

By W. L. DACK

Developments this week on Canada's ambitious trans-Canada gas pipeline front are both hot and cooling.

It is certain now that Trans-Canada Pipe Lines will not be able to meet its Dec. 31 deadline to prove to Ottawa that the project can be financed, The Financial Post understands. Officials will have to seek an extension of the temporary permit to build the pipeline until they can sew up contracts with gas producers and distributors.

At the same time, however, Trans-Canada and two of the big eastern utility companies moved closer to contract agreement this week.

Other distributors also see agreement "not too far away."

Latest in a series of upsets in Trans-Canada's rush program to sign vital long-term contracts came out of Calgary. The long-

(Continued on page 3, col. 1)

Algom Uranium Project Set to Go

Details of $40 millions mine financing nearing completion — may spend another $25 millions to build new town in northwest Ont.

By GORDON M. GRANT

Another huge uranium mining project—Canada's largest to date—is rapidly taking form a few miles north of Lake Huron. Where today is wilderness, some miles north and east of Blind River, a town of 5,000 or 6,000 should arise in a few years.

For tonnage of ore involved, size of financing proposed, and uranium output anticipated, the new operation appears likely to outstrip anything we've had yet. All told, it will cost around $65 millions.

Algom Uranium Mines has quietly made substantial progress both from mine and financing standpoints in recent months. It is now drawing close to the point where important decisions can be announced.

Negotiations for the full financing of both its large Quirke Lake and Nordic Lake properties of the Algoma uranium camp are approaching conclusion and should be adequate to provide the company's objective of $40 millions.

In two weeks, Algom's stock has jumped from $9.45 to a top of $12¾; at midweek was $11¾-$12.

The project means a healthy boost for what was once a "dead area" of the Canadian economy. Not only will there be $40 millions for productive operations, but an additional $25 millions may be spent on townsite development. A single town is planned to service both operations and will be located in the "basin" about two miles north of the Algom's Nordic Lake operation.

Algom has delegated one director, Dr. George B. Langford, to be responsible for townsite planning. This work is now well advanced. Administration of the town is expected to be in charge of a provincial board headed by A. E. K. Punnell, of the Ontario Department of Planning & Development.

Financing requirements for Algom productive operations have been based on placing both the Quirke and Nordic Lake properties in production with mills of 2,500 to 3,000 tons daily capacity. Franc R. Joubin, Algom managing director, announces that R. M. Way & Co. Ltd., has been awarded the contract of designing the Quirke mill in co-operation with R. P. Ehrlich of the Technical Mine Consultants staff. This work will get under way immediately.

To Employ 1,200

When the two mills are in operation, treating 5,000 to 6,000 tons of uranium ore a day, Algom expects to have about 1,200 men on its payroll.

Algom's negotiations on a production contract with Eldorado Mining & Refining are at an advanced stage and no difficulty is anticipated here.

With the way being cleared for production by Algom, it appears reasonably certain that Ontario's Algoma uranium camp will be one of the continent's really large producing areas.

Diamond drill investigation has now proceeded to the point at both Quirke and Elliot Lakes that very large tonnages of uranium ore can be reported. Over 27 million lb. of uranium—$270 millions worth at say $10 a lb.—can be seen in drill-indicated ore with much additional ore inferred.

Here is how the drill-indicated ore picture stood at Oct. 31 after making a 10% dilution allowance:

Quirke Lake: 7,463,500 tons averaging 2.12 lb. U_3O_8 per ton.

Nordic Lake: 6,171,000 tons averaging 2.26 lb. U_3O_8 per ton.

The Quirke ore reserve is calculated to an average slope depth of 915 ft. only, despite the fact that a few widely scattered drill holes proved ore conditions to

Continued on page 2, col. 3)

Here Are Problems Ahead Of Parliamentary Session

By MICHAEL BARKWAY

OTTAWA (Staff) — The new session of Parliament opening Jan. 7 will find plenty to talk about. Some of the government legislation is already settled in broad outline, if not in final draft. Other measures still await final decision.

Here is the present status of some of the major measures:

Unemployment Insurance — Amendments to the act will have two broad objects.

—One is to increase the maximum benefits and the upper limit of the scheme. Actuarially this is relatively simple. The increases will be matched by increased contributions.

—The second object is to extend the benefit periods. This is both more complicated and more important. It has been said that the only people who enjoy the full 51 weeks of the maximum benefit period are people who have retired, which is not the intended purpose. On the other hand the people who are most likely to suffer spells of unemployment are the people who get least chance to accumulate benefits. With rigid union rules of seniority employment works on the LIFO principle—last in, first out.

The Government's proposals for extending benefit periods are still awaiting the actuaries' report. But there is no intention, The Post is informed, of submitting to Parliament any scheme which is not established as being actuarially sound.

The amendments to the Unemployment Insurance Act will probably be examined by a House Committee, and the major debate on unemployment may take place on the motion to refer them to committee.

Before the major bill is tackled the government may put through a stop-gap measure to increase the benefits payable under the supplementary benefit scheme which covers only the winter months. This would take care of the urgent need and leave Parliament plenty of time to debate the major changes.

Energy policy — The government's proposals will be mainly concerned with water-power, but will include a revision of the Electricity and Fluids Exportation Act which will also affect gas. Major debate is expected, and committee examination of the whole subject is also probable.

Succession duties — It is still very doubtful whether the government will introduce its new Succession Duty Bill this session. A thorough revision was promised by Finance Minister Abbott in the last budget, and suggestions have been received from many quarters.

A particularly heavy barrage of them have come from women's organizations urging permission for income-splitting between husband and wife. Government lawyers are now working on the draft of a new bill, but without any clear decision as yet to switch the Canadian law onto the basis of an estates tax. (The present law has some features of an estate tax and some features of an inheritance tax.)

The Government's aim will probably be to put Canada alongside the U.K. and the U.S. by

(Continued on page 3, col. 4)

Want New Jobs, Contracts? The North Beckons for '55

OTTAWA (Staff)—There will be jobs in the North for various types of Canadian business in the coming year. They result from the twin system of early warning lines which Canada and the United States will install to give notice of the approach of hostile aircraft.

Responsibility for the most northerly line — the so-called DEW line — lies with the United States, but with assurances that Canadian labor will get preference and Canadian suppliers and contractors will get equal treatment (The Post, Nov. 27).

It is expected the U.S. Government will employ Western Electric Co. on a management contract to supervise and co-ordinate the work. Canadian firms might get sub-contracts either for construction, or for equipment or for transportation.

Responsibility for the other line, known as the Mid-Canada Line, rests with the Canadian Government, which is paying for it all. It is expected that nearly all the material, the end-product equipment and the supply of services will be Canadian.

A management contract is expected to go to TransCanada Telephone Co., which unites the main Canadian telephone companies.

Here are further details of the arrangements which are expected to apply to the two projects:

1. The Mid-Canada Line, all-Canadian. Officially this line, to consist of the Canadian detection device known as the McGill Fence, will go right across Canada following roughly the 55th Parallel. A recent official announcement said that air activity out of Flin Flon and The Pas, which are just south of 55 degrees in Northern Manitoba, was connected with this line. U.S. Sikorsky helicopters have been used since October to get under way the survey of possible radar sites there, while the RCAF is also training crews to man its newly-delivered helicopters.

Although the Mid-Canada Line is described as not being very far north of the settled area, there is some rough country along its route. The sites of some of the new stations can only be reached by helicopter. Others can get their materials in by tractor train. Tractor trains were operating out of The Pas last winter on this job, and more will be hired this winter to take construction materials into some of the sites.

Defense Construction Ltd. will be responsible for the movement of materials by tractor train, and for letting construction contracts for the various sites. The type of construction involved is not complicated, nor very extensive. But in some cases the sites, which have to be chosen for their radar suitability, are a long way from being those which a builder would have chosen for himself. In the northern prairies, for example, there will be a good deal of work in marsh and muskeg. In Ungava the country is just as inhospitable, with rocky ravines, running north and south, which have to be traversed.

Most of the electronic and communications equipment to be installed is expected to be made in Canada. The Department of Defense Production will be responsible for ordering this. But TransCanada Telephone Co., as agent for the Government, will

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Government Seamen Ally With SIU In Support Pact

MONTREAL (Staff) — Canada's waterfront baron, Hal C. Banks, this week moved his union activities on board Government ships.

Banks' 8,000-member Seafarers International Union has formed a "working alliance" with the recently established Association of Government Seafarers, Wharf & Yard Employees. The association is a group of Government employees, which claims to represent at least 500 seamen and workers on Government ships and in federal-operated marine yards.

Main previous contact Banks has had with Government-operated vessels has been indirect, through his contracts with the Canadian National Steamships fleet. Banks claims the new arrangement will not affect the autonomy of the smaller union, but is solely intended to strengthen the position of either body during wage negotiations.

Banks says that both unions will continue operating as before, with members of the AGSWYE paying 40c on monthly dues to the SIU. (Monthly dues for SIU rank and file are $4 a month, and it costs $73 to join.)

President of the small Government-ship union is Elzear Noel; John Stirling is business agent. The group was formed this summer largely through the efforts of R. McGaff of the National Association of Marine Engineers of Canada, and is claiming membership of most of the uncertified personnel on Canada's icebreakers, other Department of Transport vessels and National Harbors Board tugs.

Granted a Charter

The new allegiance was effected by the granting of a charter, which brings the AGSWYE under the jurisdiction of the Seafarers International Union, which has headquarters in San Francisco. It's understood the two unions will act together on a wide range of matters, including contract negotiations and maritime transportation legislation.

Most officers of the Department of Transport ships are associated with the Canadian Merchant Service Guild. The AGSWYE is not a real union, because its members are governed by Civil Service regulations. A spokesman told The Post that the new affiliation will give the civil servants the full backing if not the full benefits of the SIU.

The National Harbors Board operates 26 miles of wharves, with 225 ocean berths and 87 transit sheds with a floor space of six million sq. ft., 14 grain elevators, as well as three cold storage warehouses, and a fleet of tugs.

Other possible targets for Banks' drive to unionize Government ships are vessels operated by the Fisheries Department, the Department of Mines and Resources and the Department of Public Works. The craft run by the Department of Justice — through the RCMP — will probably come into the armed forces category and will not be liable to unionization.

Was This Strike Worth It?

Tab $2.3 Millions for Workers In M-H-F Affair

By JACK McARTHUR

Was it worth it?

That was a logical question for the 2,400 Toronto employees of Massey-Harris-Ferguson as they began to trickle back to work this week. For 11 controversy-filled weeks they had walked the picket lines.

It was a logical question, too, for the CIO United Auto Workers' local at the big Toronto farm machinery plant. And for the powerful UAW International, which contributed most of the $300,000 strike cost.

Add a wage loss of about $2 millions and you get a bill to the workers and their union of around $2.3 millions, give or take $100,000.

That's a big nut. Especially when top UAW leaders never had looked with favor on the strike.

When the strike was settled Nov. 28 and settlement terms announced worker gains seemed small compared with the financial sacrifice.

Worker gains:

—Another 2c hr. for 300 laborers. Estimated cost to company: $10,000 yearly.

—An additional contribution of 75c monthly to welfare plans for 1,700 workers. Estimated cost: $15,000 yearly.

—Adherence to strict seniority rules. This had been a major —possibly the major—issue. The company had withdrawn its opposition to strict seniority four weeks earlier.

—Another 5c hr. to 200 plant clerks and mobile equipment operators. The company had been willing to concede this weeks before.

—Special holiday and group insurance payments of $88,000 to be made only this year.

Can't Win It Back

There wasn't much prospect of workers winning back salary losses in the production drive being planned by M-H-F. Most of the extra work in coming weeks will be done by additional workers, rather than on an overtime basis.

The walkout provided an interesting example of how a big strike is financed.

When the union local in Toronto refused to settle on the same terms to which sister locals in Brantford and Woodstock agreed, it pulled the men off the job. At the time, the local had maybe $1,000-$2,000 in cash—peanuts, when it comes to financing a strike.

As the strike began, the union had to meet many new expenses.

The most crushing were payments for worker welfare. These were running to $30,000-$40,000 weekly in the last weeks of the strike. Welfare payments naturally increase steadily as a strike lengthens. They buy food, coal, medicine, dozens of other necessities. Most of the money came from the UAW International.

Other major costs: Advertising and printing; holding membership meetings (a secret membership vote rejected company offers in the second week of November, following a furore over lack of secret voting in earlier balloting —The Post, Nov. 13); organization of flying squads to move pickets to their posts.

Another big item was the monthly payments toward employee welfare funds. These are normally divided between company and employee roughly on a 55-45 basis.

The International laid out about

Continued on page 2, col. 4)

Stock Market Highlights

Industrials

Dominion Steel & Coal common raced to $18⅝ peak on news of big iron and steel orders, then quickly lost $2 of two weeks' $5 gain.

Simpsons common stronger again at $19⅞, up $1, early this week. Attributed by some to expected seasonal upswing for retailers.

Winnipeg & Central Gas rose $3 to $15½, **Interprovincial Utilities** $4 to $13 on reports more favorable contracts submitted by Trans Canada Pipe Lines.

Mines

Mining Issues show easier tone with some weakness evident in recent market leaders.

Faraday Uranium, which jumped from $1.10 to $2.68 when high grade struck, eased as later values lower than initial round which gave 2.91% U_3O_8.

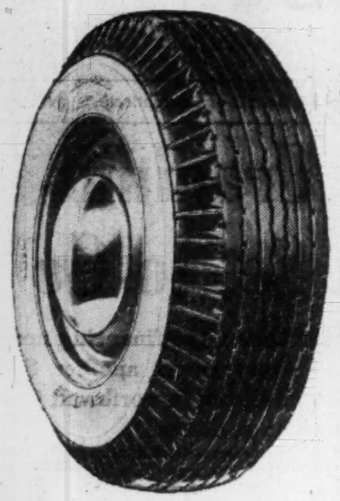
Falconbridge Nickel touches new 1954 high of $20.50, reflecting recent increase in price of nickel.

Quebec Nickel sells at $1.23 level after touching $1.41 despite fact that 108 cars from 303 west crosscut show average of 4.08% nickel, 0.83% copper.

God's Lake sells above 80c as drill indications secured of possible copper ore body next to Sherritt Gordon at LynnLake.

Belfast Mines moves up from 20c to 30c on over-counter market as uranium strike made in Rawhide twp., north of main Algoma uranium camp.

BULLDOG nylon cord whitewall tires



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Huge Dosco Export Deals Liven Maritime Economy

(Continued from page 1)

the market by March, 1955, is part of the company's drive to raise home coal consumption in the East.

Commenting on the company's $13 million coal mine modernization program, President Forsyth said he was looking forward to its successful early completion. A coal-based chemical industry in the area is not now being planned, but such a possibility was certainly under constant investigation, he said.

The sale to Mexican Pacific represents about one third of the Maritime steel plant's annual production. The 175,000 tons of rail and 56,430 tons of tie-plates and other rail accessories included in the $25 million purchase will be made at Sydney, while track fastenings, bolts and other connecting links will be manufactured at the Canadian Steel & Tube Products Ltd. plant in Montreal —another Dosco subsidiary.

Mexican Pacific is currently engaged in the largest expansion program in its history. Its main existing property is a 15-mile run between Los Mochis and Agu:la, plus a few experimental lines. It is now building a link to the main line of the Kansas City-Mexico Orient Railways Ltd. The Sydney order includes enough rail for 125 miles of track.

Indirectly affected will be the Dosco's sprawling network of East Coast coal pits. Over a million tons of the hard-to-sell coal will be used to complete the steel orders.

Under the new iron ore sales agreement, Britain has agreed to buy five million tons of ore from Wabana, between 1956-61. West Germany has contracted for an additional 250,000 tons during 1955 which will increase deliveries to 750,000 tons. The Germans also have an option on a further 5 million tons for delivery between 1956-61, and Forsyth says there is "every reason to believe" they will exercise the option before it expires March 31 next year.

As well as supplying about 760,000 tons of ore to its parent company's Sydney, N.S. steel mills, Wabana has sent an annual two million tons to world steel mills. Breakdown since the under-ocean mines were first opened shows that Germany has received 15 million tons, the U.K. nine million tons, and Belgium eight million tons, with the balance going to the U.S. Wabana production capacity is now 2.8 million tons a year. Most of the overseas ore was sold under five-year contracts signed in 1951—expiring at the end of the 1956 shipping season.

The ore sales herald a new era for tiny (132 sq. miles) Bell Island, which has, since 1895, sent out 57 million tons of ore to the world's steel mills. A large concentrator will be built and a huge conveyor system installed that may traverse the island. The new system will be necessary, because Dosco geologists and metallurgists have recently established that the Wabana ore (which contains much sulphur) deteriorates in quality, the longer it remains stockpiled.

To make the ore more acceptable for overseas consumption, permanent stockpiles will be eliminated and ore will be moved to markets as soon as it has been surfaced. To do this, it must be concentrated on the spot.

Pending construction of the concentrator, Dominion Wabana Ore Ltd. will lay off approximately a quarter of its 2,000 employees, for about three-and-a-half months. Balance of the miners will be temporarily employed in an exhaustive exploration program.

The other item in Dosco's expanding export schedule is the sale of 10,000 steel billets to the U.K. For five years prior to 1954, the Sydney plant's ingot production averaged 668,720 tons, with a peak of 706,809 tons in 1951. The 1953 production amounted to 633,532 tons and the predicted current year-end total is 460,000 tons.

Wage negotiations between the company and its steel workers are currently in progress at Sydney. The union—Local 1064 of the United Steel Workers of America CIO-CCL—has been demanding an 8½c hourly wage increase to bring the basic rate to $1.52. The two-year contract expired last March 31, and negotiations broke down earlier this year. A conciliation board has been set up under Judge A. H. MacKinnon, to rule on the dispute.

It's expected that final settlement may follow similar awards at the Algoma Steel and Steel Co. of Canada plants, where workers signed a contract for an immediate 5c an hour boost.

Until early in the new year, there will be some small layoffs at the Sydney wire and nail mills, due to the lack of domestic orders. Present steel works payroll is 4,474; that's down from 5,871 in December two years ago, before the company's $40 million modernization program was completed.

President Forsyth pointed out the new orders were secured against the keenest competition from other world suppliers, and that achievement of the lowest possible manufacturing costs and efficiency in production will be essential.

As well as the hard-driving efforts of the export-conscious Dosco management, certainly one factor favorably affecting the placing of the Dosco orders, was the steel plant's location on ice-free tide-water, with year-round

Algom Uranium Ready To Go

(Continued from page 1)

extend to a slope depth exceeding 3,400 ft.

The ore reserve estimate for Nordic Lake is estimated to a slope depth of 1,250 ft. only, although a deep exploratory hole was successful in finding ore at a slope depth of 6,000 ft.

The main production shaft at Quirke Lake is advancing rapidly and has now reached the fourth level. The ore zone was opened up by cross-cutting at the third level and passed through in the shaft between the third and fourth levels. At both points ore of excellent width and grade is reported.

Construction of the two permanent buildings at Quirke is well advanced and should be completed by year end. Metallurgical studies of the Quirke deposit ore are now approaching completion and results are reported as being highly satisfactory.

A contract for sinking of a five-compartment vertical shaft to a depth of 800 ft. has now been let for the Nordic Lake property. Actual sinking should get under way before the end of the year.

More TV Ad Rate Boosts

Changes in Canadian TV ad rates continue to come.

Canadian Broadcasting Corporation has announced revisions in the Class A network rate for 13 Canadian TV stations. They take effect Jan. 1.

CBC continues to try to regularize ad rate changes to July 1 and Jan. 1. The hoped-for result: Make things easier for advertisers trying to keep up with rate alterations and take the heat off the CBC accounting department.

As Canadian TV expands, with stations opening monthly, rate changes come the same way—a few at a time.

Of the stations changing rates on Jan. 1, seven had their old rates set Oct. 1—two months ago. The stations and new Class A network rates (with old rate in brackets):

CBLT, Toronto, $950 hr. ($850); CBFT, Montreal, $700 ($600); Winnipeg, $280 ($200); and Sydney, N.S., Saskatoon, Calgary and Edmonton, all $200 ($160).

The other six changes: CBMT, Montreal, $500 ($470); Windsor, $450 ($420); Kitchener, $300 ($275); London, $300 ($275); Vancouver, $300 ($250); Ottawa, $280 ($230).

The new rates, like the old, are subject to frequency and regional discounts. Advertisers will receive rate protection on current contracts at the old rates for six months.

Strike Tab $2.3 Millions

(Continued from page 1)

$50,000 for two months' welfare fund payments.

Meantime, the union local and its parent body were losing some $12,000 monthly in unpaid dues —$36,000 in all.

Part of the financial slack was taken up by donations from other unions. On Nov. 18, UAW locals had put up $7,000, other unions almost $20,000.

There'll be further payments for worker welfare since some still need help, to meet bills—particularly with Christmas coming on.

And more wages will be lost. All of the 2,400 workers aren't expected back on the job until the end of December.

Announcing

Arborite Co. (Montreal) — Edward Selyan, vice-pres. and general manager; E. G. Hunt, executive vice-president.

Bank of Nova Scotia (Halifax) — C. Gordon Smith, of Winnipeg, director.

H. J. Bird & Co. (Vancouver) — W. Lloyd Craig, special representative, sales.

Breithaupt Leather Co. (Kitchener, Ont.) — Louis P. Breithaupt, managing director; Clare E. Milhausen, general sales manager; Herbert C. Breithaupt, in charge of sales and distribution in Montreal district.

Canada Northern Power Corp. and Northern Quebec Power Co. (Montreal) — B. V. Harrison, president; A. Scott Elliot, vice-pres. and director.

Cherry-Burrell Corp. of Canada (Toronto) — T. A. LaFrance, managing director; K. R. Venning, director, secretary and assistant treasurer; D. H. Burrell and J. W. Farley, vice-presidents and directors.

Deloitte, Plender, Haskins & Sells (Toronto) — W. J. Macdonald, senior partner, following the combining of the practices of Millar, Macdonald & Co. with Deloitte, Plender, Haskins & Sells, C. L. King, partner the latter firm, in charge of the Toronto office.

Fueloil Sales Ltd., Fueloil and Equipment Ltd. (Toronto) — J. L. Clarke, assistant to the president.

Fry-Cadbury Ltd. (Toronto) — J. E. B. Greeves to assume direction of sales for Canada; R. W. Mesuret; general sales manager.

Gatineau Power Co. (Ottawa) — Arthur N. Carter, of Saint John, N.B., director.

Mills Steel Products Ltd. (Hamilton) — Reginald Catlow, president; A. W. Bennett, vice-president; J. B. Rothwell, director and general manager, Hamilton division; T. C. Lynch, director and general manager, Toronto division; Orvil Young, works superintendent, Hamilton plant; Alvin Booth, assistant superintendent.

National Trust Co. (Toronto) — E. H. Heeney, manager, Montreal office.

Personal Finance Co. of Canada (Toronto) — W. W. Potter, assistant supervision director; B. G. Walker, treasurer; W. G. Weiss, A. K. Wilhelm, E. J. McKay and Randall Beatty, field supervisors; H. C. MacDonald, manager new Charlottetown branch.

Phillips Electrical Co. (1953) (Toronto) — T. A. Lindsay, executive vice-president.

Public Relations Society of America — Clifford W. Hale, of Hamilton, director, representing the Society's Canadian district.

Presentation of Canada Ltd. (Ottawa) — J. Rae Perigoe, vice-president; Roydon M. Barbour, promotion counsel.

Joseph E. Seagram & Sons Ltd. (Waterloo, Ont.) — M. M. Schneckenburger, vice-president directing advertising and public relations for Canada and all world markets except the United States.

Sylvania Electric (Canada) Ltd. (Montreal) — M. W. Burke, sales promotion manager.

Underwriters' Laboratories of Canada (Toronto) — F. X. Ahern, W. F. Holden, Lt.-Col. K. J. Partington, Frank J. Ryan, members of fire council.

Vickers & Benson Ltd. (Montreal)—Gordon Allen in charge of Toronto radio and TV department.

CLUB 391—The Christmas Centre Reserved for Men Shoppers Only

Christmas-puzzled?

LET SIMPSON'S CLUB 391 SOLVE YOUR PROBLEMS!

Famous Club 391 . . . Simpson's special Christmas Shopping Centre reserved for men only lets you shop in masculine privacy . . . with the help of specialized personnel — at no extra cost.

Simpson's

SECOND FLOOR, CENTRE

Mailman Brothers Buy Fla. Property

MIAMI BEACH, Fla. — A. L. and Joseph Mailman, Montreal industrialists, have purchased one of the busiest corners in the South for $6 millions.

The purchase embraces an office building at the corner of Lincoln Road and Washington Ave., in this growing resort city. Seller was Moses Ginsberg, New York property owner.

The Mailman brothers are officials of the Mercantile National Bank, which is quartered in the building. But they emphasize that the purchase is for their own account, not the bank's.

A. L. Mailman is chairman of the bank's board of directors, while Joseph is a director. They spearheaded a group which purchased the bank for $3.5 millions last January in one of the largest all-cash transactions in Florida history.

Controlling Mailman Co. with a number of subsidiaries, the Mailman brothers have interests in a broad range of Canadian manufacture from shoes to locomotives.

Retirements

National Trust Co. (Toronto) — T. W. Hodgson, as manager, Montreal office.

BUSINESS SALES

If you are considering the sale of your business we would welcome the opportunity of assisting you.

Our Business Sales Division offers you its practical experience and specialized knowledge gained in negotiating successful sales of many types of businesses.

For further information on this service write or telephone Mr. F. E. Mullin, Manager, Business Sales Division.

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110 Yonge St. Toronto, Ont. Tel. EM 3-5833

Christmas stocks are flying fast

by **TCA AIR FREIGHT**

...AND AT AMAZINGLY LOW COST

At this time of year you'll find all kinds of gift items speeding by TCA Air Freight to retailers' shelves and windows for Christmas selling.

It's perhaps most noticeable now but actually similar products are flying *all year round* and the cost is surprisingly low. For example: 100 lbs. of toys travel from Winnipeg to Vancouver (1,244 miles) for just $12.50 — or the same shipment of toys from Montreal to Halifax (549 miles) would cost but $6.00!

Air Freight is not just an emergency service — although its speed is called upon in many a tight situation.

Between many cities in Canada, next day delivery is provided up to 1,500 miles, with second day delivery beyond.

The many advantages of Air Freight are worth considering for *your* business. TCA can fly almost anything — anywhere.

For full information, contact your nearest TCA Office or write (or wire collect): TCA Air Freight, International Aviation Bldg., Montreal.

TRANS-CANADA AIR LINES

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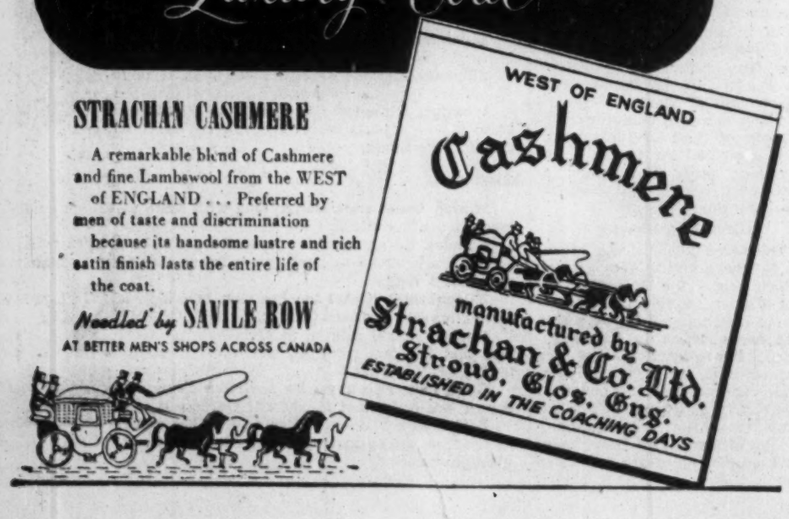
Canada's most wanted Luxury Coat



STRACHAN CASHMERE

A remarkable blend of Cashmere and fine Lambswool from the WEST of ENGLAND . . . Preferred by men of taste and discrimination because its handsome lustre and rich satin finish lasts the entire life of the coat.

Needled by SAVILE ROW

AT BETTER MEN'S SHOPS ACROSS CANADA

Gas Pipeline News Is Good —And Bad from East-West

(Continued from page 1)

awaited hearing before the Alberta Petroleum & Natural Gas Conservation Board on the proposed gas gathering system in the province provided a rather rude jolt to many gas and pipeline officials.

This was the hearing called to clear up one of the last troublesome uncertainties in the gas pricing system—the price to be charged by the Alberta Gas Trunk line for transporting gas from the producing fields to the eastern boundary export point where Trans-Canada would take over. (Trans-Canada has already made a firm bid of 14c per m.c.f. for gas delivered to that point. But before the producers sign up they want to know the gas gathering charges so they can estimate their own wellhead netback.)

The Rate Proposals

The rate proposals made by the gathering company — averaging around 3.13c per m.c.f.—have disappointingly left a good deal yet unanswered since they do not include feeder line costs from the fields to the proposed gathering system. The gathering line's provisional board decided to leave up to the permanent board—to be appointed before end of the year —the decision as to whether to build and operate the feeder lines as well, and, if so, what additional transportation charges to make. It had been assumed in many quarters that the gathering company would do the entire transportation job and thus could furnish definite gas charges at this time.

The route of the proposed gathering system would only come within some 135 miles of the big Pincher Creek gasfield in Southern Alberta. To tap the field it would cost another $9.5 millions in feeder lines. To reach all the gasfields, total additional pipeline costs would be over $20 millions. This extra gathering cost would add at least another 1c per m.c.f. to transportation charges in the province — make wellhead netback for producers that much less.

All this, of course, means extra time and Trans-Canada hasn't too much of this remaining if it is going to complete all contracts, financing, and order pipe in time for a spring 1955 start on the first leg of the pipeline to Winnipeg.

The Conservation Board hearings made it clear that all parties want the gathering line to do the entire job and already steps are under way to complete as rapidly as possible the necessary additional engineering studies to arrive at a final composite transportation cost figure.

Trans-Canada officials feel this shouldn't take any more than two or three weeks. Only when this figure is available will they be able to complete purchase contracts with the producers—if producers are satisfied with netback —and fill in one of the last big question marks in the complicated and prolonged pricing formula.

The gas gathering plan laid before the Conservation Board proposes to build the line in three stages from 1955 to 1957.

The first stage is slated to be completed and on stream before the end of next year to meet initial 100-125 million cu. ft. daily gas requirements of the Trans-Canada pipeline. This would involve a $12.3-million expenditure on 5.6 miles of 36-in. line from Saskatchewan border to the South Saskatchewan River crossing and 68.7 miles of 34-in. line from river crossing due west. This would connect the Medicine Hat, Cessford gasfields.

In the second year (1956)—to cost $4.9 millions—31.7 miles of 34-in. line would be built as far west as Countess. This would hitch up the Pincher Creek and Provost fields.

In 1957, 208.5 miles would be built to the terminus south of Bonnie Glen for an additional cost of $20.1 millions. This would tap the Olds-Elkton, Nevis and Homeglen-Rimbey fields.

Average costs of moving gas to the export point were given as 3.14c per m.c.f. in 1956; 2.84c in 1957; 3.4c in 1958; 3.41c in 1959 and 3.33c in 1960.

Auto Production

	Week Ending Nov. 26 Cars	Trucks
Chrysler	1,102	70
Ford	Strike	Strike
General Motors	2,599	419
Nash	....	...
International	....	96
Studebaker	102	...
Totals	3,803	585
Previous week	3,200	655

Red-Hot Pace For TV Boom

Latest figures from the television set industry cut further ground from under some of Canada's price-slashing TV retailers.

Sales and production totals for October provide added emphasis to this fact: There's no longer overproduction, but underproduction instead, in TV set manufacturing.

Sales in October hit a monthly record of 91,374, substantially bettering the high of 82,000 sets the month before. In August-October, TV set sales were a staggering 229,000, more than half the 437,000 sold in the first 10 months of the year.

Projected production of 240,000 in November-January may fail to keep up with sales. The industry's inventory has been reduced to a slim 36,000 sets—less than half a month's sales.

Result: Overproduction no longer exists as an incentive to price slashing. Some of the smaller retailers are firming their prices as supply tightens. The large cut-rate houses, of course, continue to keep markups low as an incentive to volume buying.

Want New Jobs, Contracts? The North Beckons for '55

(Continued from page 1)

"manage" the whole project and take responsibility for phasing in the various parts of the work and making sure that everything comes along in step.

Much of the transportation will have to be done by air, and in many places helicopters will provide the only feasible method. But there should also be work for Canadian operators of conventional aircraft.

2. The DEW Line, with primary responsibility in the U. S. Government. At mid-week Ottawa had not received confirmation of the expected appointment of Western Electric Co. as management contractors for this project. But Western Electric is the firm which ran experimental radar stations on the Alaska shore of the Arctic Ocean, and on Canada's Arctic shore too. It has been regarded as the logical manager of the DEW project.

The Canadian Government has received assurances that Canadian firms shall have a chance to participate. In practical terms, there are likely to be three types of beneficiary (in this order):

(a) Air Transport. To the extent that Canadian operators have suitable big, long-range aircraft available, they are likely to find employment on this project. It has been stated that the DEW Line is to be as far north as possible. This means that transportation will constitute a large part of the cost, and much of it must be by air. The Government shows no disposition to relax ordinary restrictions to allow U. S. carriers to get jobs which Canadian air transport firms can undertake.

(b) Construction. Buildings may, necessarily, be rather more extensive than those needed on the Mid-Canada Line. But they will not be complicated. Prefabricated wooden structures are the usual northern pattern. Canadian makers should have a good chance to get at least some of the business.

(c) Electronic and communications equipment may, more naturally, come from south of the border. The Canadian Government obviously would not want its equipment for the McGill Fence to be delayed for production of equipment for the DEW line. But there will probably be items which Canadian firms can make competitively.

Total costs of the two warning lines have never been given officially, possibly because they are not known in much detail. The Mid-Canada Line, however, is not expected to cost quite as much as $100 millions. The DEW line will almost certainly come to more. But the first estimates have to come from the U. S., and if they have been made there, they are not known here.

Nor has the Canadian Government yet faced the problem of how far it should participate. The conflicting views, which are known to be held, will have to be resolved, but possibly not until the U. S. Government comes up with firmer proposals for the whole scheme and a work program for next year.

World Bank Lends $16 Mill. in India

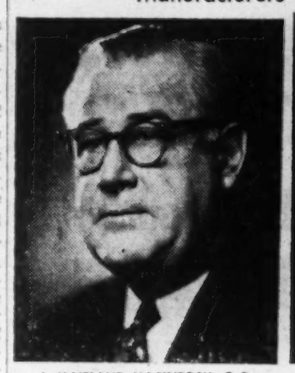
The World Bank has made a $16.2 million loan to finance the foreign exchange costs of a thermal electric power plant in Bombay. The National City Bank of New York will participate in the loan, without the World Bank's guarantee, to the extent of $1,364,000. This amount represents the first four maturities, which fall due semi-annually beginning Oct. 15, 1958.

The borrowers are the privately-owned Tata Hydro-Electric Supply Co., Andhra Valley Power Co., and Tata Power Co., part of the large group of Tata enterprises. Cost of the plant is estimated at $27.5 millions. The Tata companies have already raised $.6.2 millions of the rupee cost through the issue of share capital.

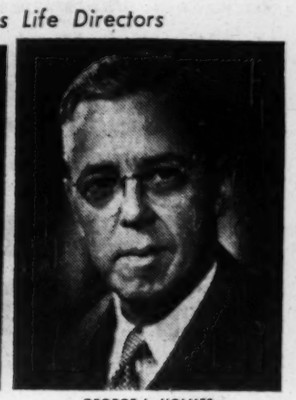
The new plant will help offset the adverse effects of droughts on hydro-electric power supplies.

ANNOUNCEMENT

Manufacturers Life Directors



J. MAITLAND MACINTOSH, Q.C.



GEORGE L. HOLMES

The Manufacturers Life Insurance Company announces the election of Mr. J. Maitland Macintosh and Mr. George L. Holmes as Directors of the Company. Mr. Macintosh is a member of the firm of Macdonald and Macintosh, Barristers, President of General Accident Assurance Company; Scottish Canadian Assurance Corporation; Vice-President, Chartered Trust Company. Mr. Holmes is Vice-President of the Manufactufers Life Insurance Company.

Here Are Problems Ahead Of Parliamentary Session

(Continued from page 1)

basing the tax on the estate and not on the beneficiaries. But the way to work this out fairly without resorting to the complications which have been introduced into the U. S. estates tax is a problem of some complexity.

It does not look as though the Government will finish its drafting in time for this session, and Mr. Harris as a new finance minister may feel he has enough to tackle without this complicated new bill.

Canada Council — It is not yet firmly decided whether to ask this session to establish the "Canada Council for the Encouragement of the Arts, Letters, Humanities and Social Sciences" recommended by the Massey Commission in 1951. Prime Minister St. Laurent has spoken hopefully about action next year, but there is still a feeling in some political quarters that establishment of the council would exacerbate relations with the Quebec nationalists just at the time when a possible tax settlement might seem to promise smoother relations.

The Massey Commission recommended that the council should have 15 members, with paid full-time chairman and vice-chairman. An alternative possibility is to make the senior full-time appointment a director-general with executive authority. If a start is made by legislation at the coming session, it is probable that the initial vote of funds will be small, and that the Canada Council will be given some time to organize itself and find its way around before it starts disbursing much money to music, drama or ballet groups.

House Rules — The Government will certainly resume its efforts to get an improvement in the rules of procedure of the House of Commons. Committees of all parties have labored through two past sessions without reaching any agreement, but probably an all-party committee will be set up again. Finance Minister Harris, who is continuing as leader of the House of Commons, is known to be keen on getting some changes. And even if agreement is not reached with the opposition parties it is possible that the government majority will put through some rather modest improvements.

Timing — On past experience, the opening debate on the Speech from the Throne may take up most of January. But the Government is anxious to get early ratification of the changes in the North Atlantic Treaty by which German rearmament is to be accomplished within NATO. The next major jobs will probably be to get the House to work on the unemployment insurance changes and the rules.

NOTRE DAME DES LAURENTIDES, QUE. School Commission has sold $100,000 3¾-4% bonds due 1955-74 to Garneau, Boulanger Ltd., La Corporation de Prets de Quebec, J. E. Laflamme Ltd. and Grenier Ruel & Co. at 96.50. Net cost 4.4%, grant $71,500, net funded debt $60,500, population 3,260.

Ottawa Hopes Dwindling On Early Gas Line Start

OTTAWA (Staff)—The capital's dwindling hope of getting the Trans-Canada pipeline started next spring and completed by the end of 1956 were reflected in a speech made here by Dr. George S. Hume, the Government's adviser on natural gas and related problems.

A spring construction start had been hoped for, said Dr. Hume, and he added: "This is still the objective but progress has been somewhat slower than expected."

The Alberta grid system is regarded here as one of the principal causes of the delay.

Dr. Hume said that, in spite of efforts to curtail wastage in Alberta, it was continuing at a greater rate than in 1953. In the first nine months of this year, he said, it amounted to 22 billion cubic feet, 3.6 billion more than in the same period last year.

He gave a more optimistic account of the prospects for Westcoast Transmission Co.'s line from the Peace River to Vancouver and the U. S.

"Negotiations have been proceeding," he said, "to bring Westcoast and Pacific Northwest officials into a working arrangement satisfactory to both.

"It can hardly be doubted that some such arrangement will ultimately be made since it would result in mutual advantages to the rival companies and to the two countries concerned."

He also put in a strong plea for a large-diameter line across Canada. Admitting the difficulties of quick market build-up in the early years of operation, he said: "The building up of a 30-inch line with a market growth such as would demand a second line in a very short time would result in a high capital cost and a high transportation cost. This would greatly restrict the market that could be served, and would make the pipeline a carrier for gas that could be sold on a firm basis at a high price only to domestic consumers.

"It would thus largely defeat the national benefits that might result from energy supplied in the greatest volume from Canadian sources to the most needed market in Canada. On a delivery of 500 million cubic feet a day every cent of reduction in transportation costs would mean $5,000 a day difference.

"Both the producer and the consumer would benefit from low transportation costs made feasible by the larger-sized line," Mr. Hume said, "and industrial sales in large volume in the early years might also then be possible for a quick build-up to the amount that the larger line could transport."

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CNR Earnings Dip Further

MONTREAL (Staff) — CNR's net earnings decreased a further $3,876,000 in October over the same month of 1953, to bring the railroad's net operating revenue drop to $20,571,000 for the year to date.

Operating expenses for the year to date are down only $37,455,000, against the drop in gross revenues of $58,026,000.

In October, operating revenue amounted to $53,507,000, compared with $59,303,000 for the same month last yea and operating expenses dropped $1,920,000.

Here is a breakdown of earnings, with figures shown not reflecting fixed charges:

MONTH OF OCTOBER	1954 000	1953 000	Decr. 000
Operat. revenues	$53,507	$59,303	$5,796
Operat. expenses	51,307	53,227	1,920
Net operating revenue	2,200	6,076	3,876
AGGREGATE TO OCT. 31ST	**1954**	**1953**	**Decr.**
Operat. revenues	$530,809	$588,835	$58,026
Operat. expenses	521,313	558,768	37,455
Net operating revenue	9,496	30,067	20,571

Look For It Here

December 4, 1954

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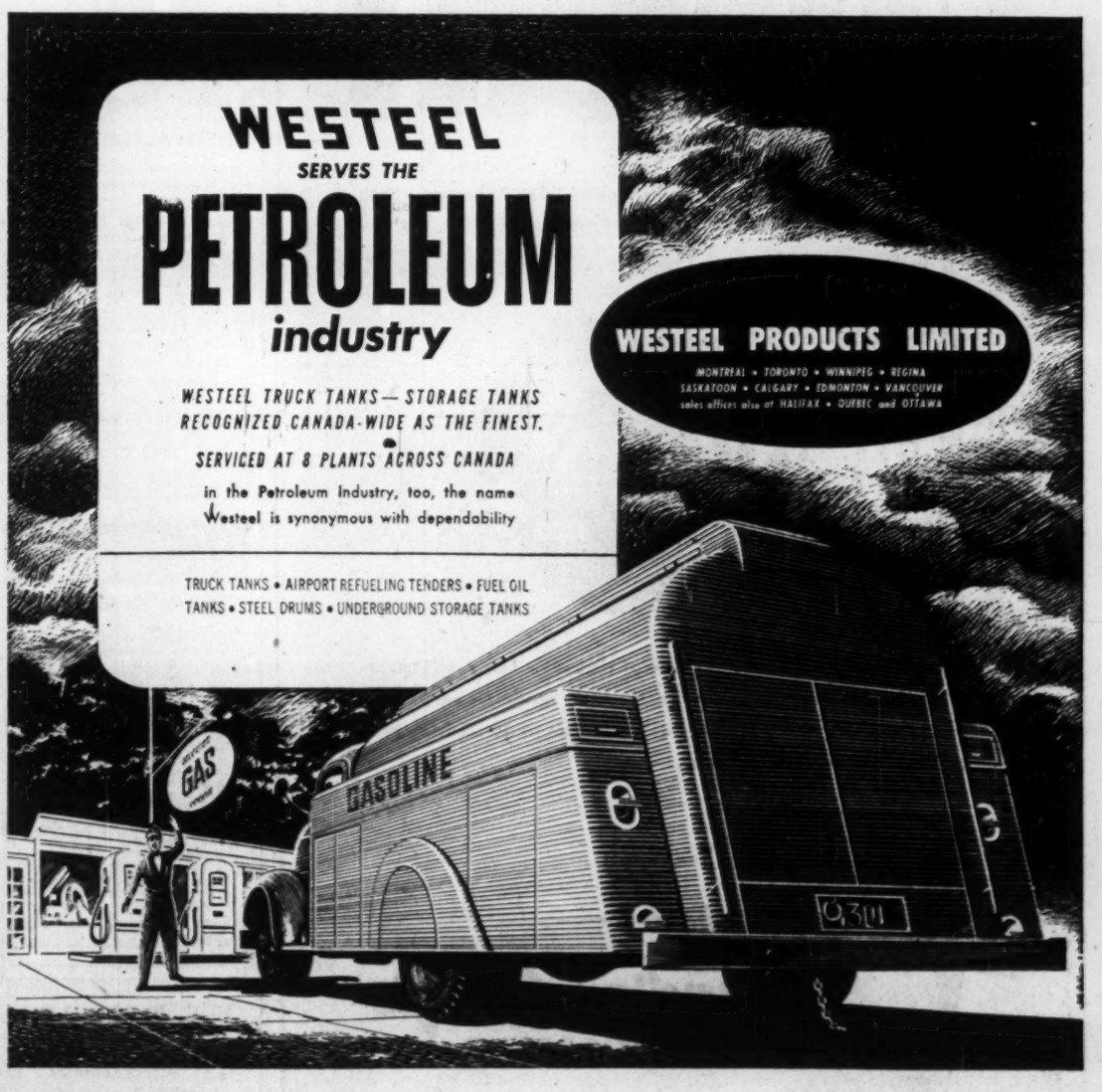

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COMMISSION RATES

By PAUL S. DEACON

Squeeze On Small Investors?

Higher TSE Rates More Than 'Cost Vs. Price' Question

Some of the difficulties of encouraging more investing by the small investor are pointed up in the decision of the Toronto Stock Exchange to raise minimum commission rates on stock transactions.

Under the new regulations, which are expected to come into effect Jan. 3, 1955, a person investing $50 will pay a 10% commission, and person investing $10 will pay a 20% commission.

That's because the new minimum charge for trades involving $50 or more will be $5, and the minimum for trades involving $10 to $49.99 will be $2. These are in each case double the former figure.

In terms of per cent, the new commissions look large, but a survey by the Toronto exchange showed the average cost of a transaction as $6.58. In each case, therefore, the minimum charge is below this average cost. And many investment men regard this $6.58 average as conservative.

Despite the evidence on the broker cost side, it does raise the cost to the investor of investing in a few shares — an already expensive procedure because of the difficulty of picking up odd lots of stock.

A Backward Step?

Some observers see the new increase in minimum commission rates as a backward step in the movement to interest more people in investing — in getting more and more "shareholders" in the free enterprise system. They say that the "little fellow" will be deterred from even starting an investment program when so much of the purchase price of a stock disappears in commission.

The commission on a board lot, in terms of per cent is relatively low. For instance, the charge for the purchase or sale of 100 Dominion Tar & Chemical at $10 a share would be $25, or 2½%. But the charge for the purchase or sale of five shares at the same price would be $5, or 10%, under the minimum commission regulations proposed.

In this case, until the purchase totaled 20 shares or more, the minimum rate would apply.

The minimum of $5 is below the minimum of $6 charged by the New York Stock Exchange members under the NYSE monthly investment plan. But on the NYSE, the purchases are handled by investment houses specializing in transactions in odd lots, and the price differential between a board lot and odd lot is only 12½c a share on stocks selling for less than $40 and 25c a share on stocks selling for $40 or more.

Thus in the case of a $50 transaction in a $10 stock, the commission cost would be $6 plus 62½c for the five shares. Chances are that an investor here would be lucky if he managed to pay only 32c a share more for his five shares than he'd have to pay, per share, for a board lot of the same stock.

Mutual Fund Charges

There have been complaints in the past that the 9% loading charge made by many mutual funds is too high. But this represents the cost of both buying and selling, because there is no commission charged when shares are turned in to the funds for redemption.

Total buying and selling commissions under the new minimum scale of the TSE (a proposal previously rejected by other Canadian exchanges but now under consideration again) could be as high as 40% on $10 transactions, 20% on $50 transactions.

Unless a monthly investment program of the type inaugurated by the NYSE a year ago can be worked out here, the chances of building up small accounts by small regular payments don't look too good.

In the year the NYSE plan has been in operation, 25,000 have started accounts on this basis. If all 25,000 contracts are carried out, the purchases will total more than $60 millions.

In Canada, however, the market is much smaller. In addition, there isn't the odd-lot specialist group to handle transactions and keep costs down.

The chartered banks in Canada do business with the small saver, even though normally the business does not pay. The theory here, undoubtedly, is that the small saver today may become a big client in the future.

This could apply in the case of the small investor too. But perhaps the best way of developing his interest does lie, after all, in the mutual fund plans, despite contentions by some investment people in the past that better results could be obtained by making investments directly.

Forecasts of '54 Results Big Help To Investors

About this time of year, shareholders begin to look hopefully toward management for some guidance on the year past and the one to come.

Shareholders of Canadian Oil Companies Ltd. got an early preview of 1954 results in a statement issued last month by President W. Harold Rea. In it, he reported a rise in sales, and an expected moderate increase in earnings.

The forecast of 1954 results, and the comments on current conditions that accompanied it, are most useful to shareholders and potential shareholders of the company.

Just recently, before the Montreal Institute of Investment Analysts (The Post, Nov. 13), President E. P. Taylor of Argus Corp. presented a similarly helpful review of the prospects of some of the major companies in which Argus is interested. Among others, he dealt with Canadian Breweries, Dow Brewery, Dominion Tar & Chemical, Massey-Harris-Ferguson, British Columbia Forest Products and Dominion Stores.

This is the type of reporting investors would like to see used more generally by firms in which there is public investment interest.

Companies obviously can't tell how their year will end up in exact terms until the year is completed and the financial statements have been drawn up. But close to the year-end, company officials have a pretty good idea of the general tenor of the final results. It would seem logical and important that owners be told as early as possible just what management thinks about the prospects.

Approve New Tor. Iron Works Board Members

Common shareholders of Toronto Iron Works Ltd. this week approved a new slate of directors at a special meeting.

The new board members: Rolph R. Corson, John H. Chipman, Peter J. B. Lash, Kenneth W. Peacock, J. Maitland Macintosh, and R. A. Baggott (company's comptroller), all of Toronto.

Four of the vacancies on the board were the result of the resignation three weeks ago (The Post, Nov. 20) of Senator W. A. Fraser and James F. Cox of Trenton, Ont., John C. Udd, of Montreal, and H. W. Knight, Toronto. The other two vacancies were due to the death of one director and the resignation last summer of another.

Await Bond Issue Of McCabe Grain

New financing in connection with McCabe Grain Co. is expected shortly.

It's understood the issue will be $2 million 4½% first mortgage bonds, Series A, consisting of $525,000 serial bonds due Dec. 1, 1955-61 and $1,475,000 sinking fund bonds due Dec. 1, 1974. The serial bonds are understood to have been sold privately.

Proceeds will be used to retire first mortgage sinking fund bonds now outstanding ($668,100) and the balance for general corporate purposes, including the reduction of bank loans outstanding ($1¼ millions.)

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Day Loan Rate Doubles, Drops

A sudden tightening of money supply sent the interest rate on the day-to-day loan market to 1½% on Monday, from the rate of ¾% which had been in effect throughout most of November.

Some investment dealers were unable to obtain their loan requirements from any chartered bank, and had to borrow from the Bank of Canada at the rediscount rate of 2%.

Two of the chartered banks, it is understood, were withholding loans in order to improve the cash position to be shown on their fiscal year-end balance sheets dated Nov. 30. Banks' cash requirements were also boosted by the close of the Canada Savings Bond campaign Nov. 30, and the consequent outflow of cash to pay for bonds.

The day-to-day loan rate dropped to 1% on Tuesday, and money was in good supply again. In isolated transactions, banks made loans to investment dealers at ⅞%.

CITY OF WATERLOO has sold $525,000 3¾% serial debentures due 1955-69 to a group managed by A. E. Ames & Co. and including Bank of Toronto, Dominion Securities Corp. and Royal Securities Corp. at a price of 100.711 at a cost of 3.63%. Proceeds for waterworks and hydro-electric system.

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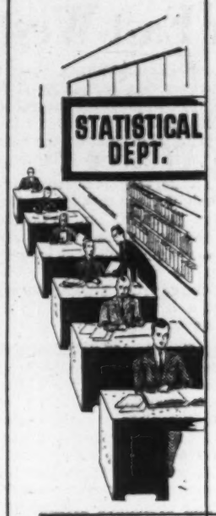

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Our Statistical Department keeps volumes of records so that we may look back at the past performance of many companies.

These records are at your disposal whenever you are wondering about buying, selling, or holding bonds or shares of any company. We can tell you about its past earnings, management, markets and give particulars of its present position.

With this data, you may evaluate the prospects of the company and decide your course of action.

Whenever you need investment assistance write or telephone us.

Toronto Montreal Winnipeg Vancouver Halifax Saint John Quebec Ottawa Hamilton London, Ont. Kitchener Regina Edmonton Calgary Victoria London, Eng. New York Chicago

Wood, Gundy & Company Limited

New Issue

$525,000

City of Waterloo

3¾% Serial Debentures

To be dated December 15, 1954 — To mature December 15, 1955-1969

Principal and annual interest payable in lawful money of Canada at Waterloo, Toronto and Montreal. Coupon debentures in the denomination of $1,000 with provision for registration as to principal.

Offering Terms

Maturities	Yield	Price*
1955-1964	3.40%	101.77
1965-1969	3.80%	99.49
1955-1969	3.62%	100.89

* for proportionate amounts of each maturity, plus accrued interest

We, as principals, offer these debentures if, as and when issued and accepted by us, and subject to prior sale.

A. E. Ames & Co. Limited

Dominion Securities Corpn. Limited — **Royal Securities Corporation Limited**

NEW ISSUE

$750,000
(15,000 Shares)

Great Northern Gas Utilities Ltd.
(Incorporated under the laws of Canada)

$2.50 Preferred Shares
(Par Value $50 per share)

Preferred as to dividends and capital. Entitled to fixed cumulative preferential dividends (which will accrue from December 1, 1954) as and when declared by the board of directors at the rate of $2.50 per share per annum payable quarterly. Redeemable at any time in whole or from time to time in part on at least 30 days' notice at $51.25 if redeemed on or before November 30, 1959, at $50.75 per share thereafter and on or before November 30, 1964 and $50.25 per share if redeemed thereafter together in each case with all accrued and unpaid dividends thereon.

Stock Purchase Warrants

The $2.50 Preferred Shares in definitive form, when originally issued, will be accompanied by Stock Purchase Warrants entitling the holders thereof to purchase 2 common shares in the capital stock of the Company as constituted on the 1st day of December, 1954, in respect of each such Preferred Share at the price, payable in cash of—

$ 5 per common share—from January 15, 1955 to December 14, 1958 inclusive
$ 6 per common share—from December 15, 1958 to December 14, 1959 inclusive
$ 7 per common share—from December 15, 1959 to December 14, 1960 inclusive
$ 8 per common share—from December 15, 1960 to December 14, 1961 inclusive
$ 9 per common share—from December 15, 1961 to December 14, 1962 inclusive
$10 per common share—from December 15, 1962 to December 14, 1963 inclusive

Transfer Agent and Registrar
Crown Trust Company, Toronto, Montreal, Calgary and Vancouver

A prospectus will be furnished promptly on request.

The Company has made application for the listing of these $2.50 Preferred Shares on The Toronto Stock Exchange.

We, as principals, offer these $2.50 Preferred Shares subject to prior sale and change in price, if, as and when issued and accepted by us and subject to the approval of all legal matters by the Company's Counsel, Messrs. Lindsay, Emery, Ford, Massie, Jamieson & Lambert, Edmonton, Alberta, and by our Counsel, Messrs. Blake, Cassels & Graydon, Toronto, Ontario.

Price: $49 per share and accrued dividends, to yield 5.10%

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that interim share certificates will be ready for delivery on or about December 1, 1954.

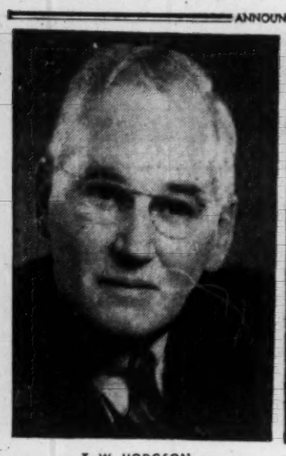
Gairdner & Company Limited

Walwyn, Fisher & Co. — **Stanbury & Company Limited** — **Bankers Bond Corporation Limited**

Hagar Investments Ltd. — **Sydie, Sutherland & Driscoll Limited** — **Yorkshire Securities Limited**

C. M. Oliver & Company Limited

ANNOUNCEMENT



T. W. HODGSON

E. H. HEENEY

National Trust Company announces the retirement on pension of T. W. Hodgson, formerly Manager of Montreal office, who has been associated with the company for more than 47 years. E. H. Heeney, formerly Assistant Manager, succeeds Mr. Hodgson as Manager. Mr. Heeney joined the company in 1937. Before going to Montreal in 1953 he was treasurer of the company. He served overseas in World War II with the Royal Canadian Artillery.

ANNOUNCEMENT

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MANAGED INVESTMENT

MacNab's Manager Likes Peace River Proposals

MacNab's account reached a new high valuation on Nov. 15, of $29,239.95. The accent, says MacNab's manager, is still on the "blue chip" stocks with a long record of dividend payments.

MacNab's manager is also interested in reports of the re-opening of negotiations on the delicate subject of the Peace River natural gas supply. He intends to hang on to International Utilities and Calgary & Edmonton Corp. stock, considering that they hold excellent opportunities for further advancement in the light of the recent news.

MacNab's Manager Says

Your account reached a new high valuation on November 15, 1954, of $29,239.95. This represents a capital gain of $19,279.95 or 192.79% during the 10 years and four months that I have handled your account.

As a result of last month's switch into preferred stocks the percentage of your account invested in preferreds has been increased, and the percentage in common stocks proportionately reduced, as indicated by the following summary:

SUMMARY

	Value	%
Common stocks	$16,835.25	57.5
Preferred stocks	5,665.00	19.3
Bonds & cash	6,779.70	23.2
TOTAL	29,279.95	100.0

As a result of this switch your indicated annual income has been increased from $1,229.00 to $1,235.25.

On November 15 the Toronto industrial averages closed at 366.15 compared with 354.53 on October 15 and 309.85 on November 15, 1953. The buoyant stock market continues and with accent on the "blue chip" stocks with a long record of divided payments.

During the last few days a substantial rise has occurred in the Peace River natural gas stocks as a result of press reports that four pipeline companies will combine to carry natural gas from the Peace River district of British Columbia through the Pacific northwest states to California to supply the gas distribution system of Pacific Gas and Electric Company.

A substantial capital gain has already been made in your account in the natural gas stocks and I am retaining International Utilities in your account, which I consider offers excellent opportunities for further dividends, and also Calgary and Edmonton Corp. which should participate in the development of natural gas, to supply requirements of the Trans-Canada pipeline system.

The MacNab Account Now Stands

No. of Shares		Cost per sh.	*Mkt. per sh.
	COMMON STOCKS		
30	Bank of Nova Scotia	$37	$50½
50	B. C. Tele. Ordinary	34½	43
100	Calgary & Edmonton	10¼	14
60	Canadian Pac. Railway	17¼	28½
30	Distillers Corp. Seagrams	27¼	34½
40	International Nickel	33½	53½
50	International Utilities	21½	36
10	Noranda Mines	68¼	78½
50	Powell River	26½	38
40	Howard Smith	21½	26
20	Hiram Walker	43½	67½
	PREFERRED STOCKS		
50	Acadia Atlantic Sugar A	17½	22½
25	B. C. Electric 4½%	50	50
40	Imperial Tobacco 4%	24½	24½
40	Abitibi P. & P. $25 p.v. 4½% pf.	24½	26½
25	Shawinigan Wat. & Pwr.	48	50½
	CONVERTIBLE CORPORATE BONDS		
1,000	Abitibi P. & P. 4½%/61	100	103
1,000	B. C. Forest Prod. 5%/62	100	105½
1,000	Brazil'n Traction 4½%/71	98	78
1,000	Canadian Pac. 3½%/66	100	100½
1,000	Central Led. Oil 5%/65	101	86
1,000	Dom. Steel & Coal 4%/61	100	97
1,000	Dom. Textile 4%/66	100	93½
	CASH		82.20
	TOTAL VALUE		$29,349.95
	Original Amount Invested		10,000.00
	CAPITAL GAIN		19,239.95
	% Capital Gain		192.39%
	ANNUAL INCOME		1,235.25
	% Yield on Original Invest.		12.35%

*Bid price at Nov. 24, 1954.

ANNOUNCEMENT

Gatineau Power Director

ARTHUR N. CARTER, Q.C., M.C., Saint John, New Brunswick, who was elected to the Board of Gatineau Power Company at a recent meeting.

$250 Million CNR Bonds Offered To Yield 2.89%

MONTREAL (Staff) — A new issue of $250 million 2¾% Canadian National Railways bonds has been offered at 99 to yield 2.89% to maturity.

To mature in eight years and 1½ months, the issue is guaranteed unconditionally by the Canadian Government for both principal and interest. The bonds will be dated Dec. 15, 1954, to mature Feb. 1, 1963, subject to redemption at the option of the company on or after Feb. 1, 1961.

Proceeds of the issue will be used to repay temporary interest-bearing capital advances from the Government and for general capital expenditures, including the construction of new track. The issue was offered to the public through banks and investment houses this week.

$444,316.29

CITY OF ST. CATHARINES, ONTARIO

3¼%, 3½% AND 4¼%

COUPON DEBENTURES

Sealed tenders endorsed "Tenders for City of St. Catharines Debentures," will be received by the undersigned until five o'clock p.m. Monday, December 6th, 1954, for the purchase of the following debentures.

$8,000.00—Niagara Peninsula Sanatorium Grant—3¼%, 1-5 years
15,000.00—Old Welland Canal Channel Improvements — 3½%, 1-10 years
25,000.00—Concrete Open Channel—Old Welland Canal — 3½%, 1-10 years
18,000.00—Arena Addition — 3¾%, 1-20 years
45,000.00—Port Weller Sewerage System (3rd Series)—3¾%, 1-20 years
333,316.29—Local Improvements — 4¼%, 1-10 years

$444,316.29

For further particulars and financial statement, apply to the undersigned.

STUART K. WATT, Commissioner of Finance.

Finance Department, Municipal Building, St. Catharines, Ontario, 29th November 1954.

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If you're completely and blissfully wedded to your present production methods and materials—*watch out!* You may be missing a shining chance to improve product quality, lower your inventories, slash maintenance costs. Have you a question about cutting oils, process aids, lubricants and greases? We may already have the answer in our files! For Sun has researched and solved scores and hundreds of problems for others. It costs you nothing to talk with a Sun representative.

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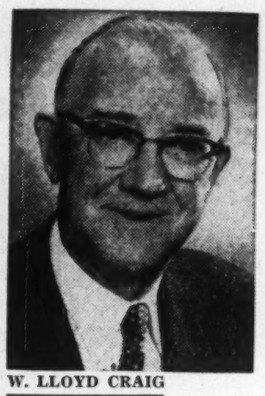

W. LLOYD CRAIG

former president of the Vancouver Grain Exchange, is now special representative, sales department, H. J. Bird & Co., Vancouver.

Inspiration Offers Rights at $1.60

MONTREAL (Staff) — New financing is being undertaken by Inspiration Mining & Development Co., aimed at providing funds for further work at the property of its subsidiary Beaucage Mines Ltd.

Inspiration shareholders are being told this week that they will be offered on or before Jan. 10, 1955, one new share at $1.60 for each three shares held at close of business Dec. 10, 1954. Warrants are expected to be issued on or about Dec. 15. The offer is not being made in the U.S.

Any shares not taken up will be underwritten by Nesbitt, Thomson & Co. at the specified price.

Net proceeds, about $1.1 millions, will be used to repay bank loans and to subscribe for another 200,000 shares of Beaucage at a price still to be determined but which will not exceed $4 each. This will raise Beaucage's outstanding capitalization to 2,510,005 shares, of which 1,558,750 will be owned by Inspiration.

Beaucage will use the resulting funds for a program of shaft sinking and underground development at its North Bay columbium-uranium property, and for construction of a 50-ton daily capacity pilot plant.

CNR Forms Hotel Firm

MONTREAL (Staff) — CNR has incorporated a new wholly owned subsidiary to take over its hotel operations, in line with the system's policy of tidying up its corporate structure.

Canadian National Hotels Ltd. has been formed as a wholly owned CNR subsidiary to consolidate the ownership of the 18 CNR hotels. The new company will have 1.8 millions n.p.v. shares.

The move was necessary because some of the railroad's hotels were built by predecessor companies — such as Canadian Northern and Grand Trunk. This action consolidates them under single ownership.

The plan for rationalization of the corporate structure of the Canadian National system was announced in the company's annual report last year. At that time CNR said that arrangements were made to acquire certain of the securities issued by predecessor companies, and 19 railway companies had been selected for amalgamation.

By successive amalgamations, it is expected that the entire rail operations of the system will be conducted by a single corporate entity. Wholly owned subsidiaries of the parent corporation, will be created to conduct the more important non-rail activities of the system including communications, steamships, hotels and real estate.

Another new company formed this week is Hilton of Canada Ltd., which will be the Canadian operating company of Hilton Hotels Corp., the managers of CNR's new $20 million Montreal Queen Elizabeth Hotel (The Post, Nov. 27). This wholly owned Hilton subsidiary will have 100,000 $10 par value shares.

Plan $52 Million Houses, Shop Hub In Montreal Area

MONTREAL (Staff) — This city's suburban housing construction boom spiraled to new all-time heights this week, with the announcement of four new projects, worth more than $52 millions.

Champlain Heights Ltd. will begin next spring construction on a $40-million, self-contained community designed to meet the housing needs of 20,000 persons in Montreal's heavily industrialized east end. To be completed in 1960, the new town will have its own shopping centre, schools, churches, parks and playgrounds. A 550-acre plot of land has been purchased for the scheme, and plans call for completion of 600 houses by 1956.

Spring construction is also scheduled for an 800-house project in Ville La Salle. The six-room houses in the $9.8-million project will sell for up to $18,000. Some 140 cottages are being built at L'Abord a Plouffe for $1 million and a $2-million project is to go ahead at Rosemount.

Great Northern Gas Preferred Issue Offered

An issue of $750,000 $2.50 preferred shares, $50 par, of Great Northern Gas Utilities Ltd. is being offered by Gairdner & Co. at $49 a share, to yield 5.10%.

The shares will carry warrants entitling holders to purchase two common shares for each preferred share held at $5 a share from Jan. 15, 1955 to Dec. 14, 1958. The purchase price rises progressively after that each year by $1 a share, reaching $10 a share in the period Dec. 15, 1962 to Dec. 14, 1963.

Proceeds of the preferred issue will be applied to payment of bank loans

Consolidated earnings after income taxes and minority interest in 1952 were $62,418 and in 1953, $106,915. In the seven months ended July 31, 1954, comparable earnings were $90,748.

Consolidated capitalization of the company and its subsidiaries as the July 31, 1954 on completion of the preferred financing will consist of $1,526,896 mortgage bonds and debentures, $1,250,000 6% convertible sinking fund debentures, 15,000 preferred shares, $50 par, and 605,140 common shares, $1 par.

CANADIAN NATIONAL RAILWAY COMPANY

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2¾% BONDS

DUE FEBRUARY 1, 1963 (CALLABLE ON OR AFTER FEBRUARY 1, 1961)

PRICE: 99.00 AND INTEREST TO YIELD ABOUT 2.89% TO MATURITY

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Preliminary Survey Confirms Hamilton River Hydro Might

MONTREAL (Staff) — Labrador's mighty Hamilton River is apparently living up to expectations.

British Newfoundland Corp. states this week that results to date of its survey of the river "confirm the existence of conditions favorable to low cost hydro-development amounting to several million horsepower." The company points out that it's too early yet to know what the complete survey will reveal, but states that it is examining the potential power market to determine the size of the first stage in an eventful construction program.

The Hamilton traces a 350-mile course through Labrador, emptying into Goose Bay. Traditional waterway of the trappers, the river has long been thought to hold a vast hydro potential, centred mainly at Grand Falls. Brinco, however, is the first to launch a thorough survey of its possibilities.

Brinco's surveyors were sent to the Hamilton last February. Shortly afterward, Montreal Engineering Co. and Shawinigan Engineering Co. accepted an invitation to establish, if possible by 1955, the potentialities at Grand Falls. By mid-June, nearly 200 were employed there on engineering surveys and investigations. Brinco itself providing general direction and common services.

Brinco was formed in 1953 by 27 companies—most of them British. Its object is to explore and, if warranted, develop mineral, water power and timber resources on concessions granted it by the Newfoundland Government.

On the mineral front, Brinco must select for exploration before the end of 1954 up to 50,000 sq. miles in Labrador and 10,000 sq. miles in Newfoundland. During the 1953 and 1954 field seasons, it reports, geologists finished a reconnaissance of most of the geologically unmapped areas of the original option. This year they formed two field parties in Labrador equipped with bush aircraft and helicopters, and a third engaged in coastal work from a schooner. A prospecting team and smaller geological parties supported by bush aircraft were busy on the Island of Newfoundland.

While the climate means that the bulk of the field work must be concentrated in the summer months, this has not been the only active season. Both the mineral exploration and water power divisions, it's stated, now plan to continue certain field work through the winter.

The British American Oil Company Limited

We have prepared a comprehensive analysis describing this growing Canadian oil company.

A copy will be furnished upon request.

Cochran, Murray & Hay

Member, The Toronto Stock Exchange

Dominion Bank Bldg., Toronto, Telephone EM. 3-9161

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New Issue

$747,302.37

City of Sarnia

Serial Debentures

Principal and annual interest payable in lawful money of Canada at Sarnia, Toronto and Montreal. Coupon debentures in denominations of $1,000 and odd amounts with provision for registration as to principal.

Offering Terms of Unsold Balances

Amount	Coupon	Maturity	Yield	Price*
$204,552.23	4½%	Dec. 31, 1954-58	3.20%	102.65
23,110.00	3½%	Nov. 30, 1955-64	3.45	100.25

*for proportionate amounts of each maturity, plus accrued interest

We, as principals, offer these debentures if, as and when issued and accepted by us, and subject to prior sale.

A. E. Amés & Co. Limited

Dominion Securities Corpn. Limited **Fry & Company**

This table of research and development testing shows the excellent voltage characteristics of Federal Q-D Magnet Wire after bending around a mandrel ten times its thickness and being conditioned as follows:

(A) Aged 9 Days at 186° C. in Air Oven

INSULATION THICKNESS (MILS)	AVERAGE VOLTAGE BREAKDOWN PER MIL
7	358

(B) Conditioned in Voltesso #35 Oil — 8 Days at 150° C.

INSULATION THICKNESS (MILS)	AVERAGE VOLTAGE BREAKDOWN PER MIL
7	616

Quinterra-Dacron Magnet Wire, made by Federal, is now available for your Class "B" applications—in sizes as small as No. 13 A.W.G. in rectangular, round and square sections.

Q-D insulated wire is taped with a fine electrical grade asbestos paper backed with heat resisting Mylar, and is then wrapped with Dacron, to give you these special qualities:

1. **FEDERAL Q-D Magnet Wire** exceeds specification test requirements for other Class "B" insulations.
2. **FEDERAL Q-D Magnet Wire** is the same price as double glass insulated wire.
3. **FEDERAL Q-D Magnet Wire** occupies a space comparable to double glass insulated wire.
4. **FEDERAL Q-D Magnet Wire** has superior bend characteristics, is easily handled.
5. **FEDERAL Q-D Magnet Wire's** slick Dacron surface passes readily through tension devices.

FEDERAL WIRE AND CABLE COMPANY LIMITED

GUELPH, ONTARIO

Don't hesitate to consult our engineering department for further specific information on Made in Canada Federal Q-D Magnet Wire.

We're Losing Tourist Dollars

According to reports from Ottawa where Canada's tourist people are meeting this week, the weather is being blamed for the 10% drop in the tourist take this year. But there is much optimism about the prospects for 1955.

The weather may well have kept a lot of visitors at home this season. On the other hand, while tourist spending in this country has been steadily climbing, in the postwar years, Canadian spending in other countries has climbed very much faster.

In the case of the United States, where the great majority of our tourists originate, we had a debit balance in 1952 and 1953 — the first in 25 years.

If we are to keep in the black in this business, to have tourists here spend more than we do as tourists in other countries, we will have to sharpen up our attractions. Suggestions advanced this week in Ottawa include promotion of historical sites and serving of better meals. These and a lot of other matters will have to be attended to, and very promptly.

The fact is that we can no longer afford to coast along in the smug belief that we have a great country and that American tourists will come regardless of our roads and meals and other holiday facilities.

They won't. In fact since 1946, a smaller percentage of the total have been coming here and a steadily growing percentage have been going to Europe.

Canada is now getting only about 32% of the U. S. tourist dollar compared with 45% in 1942 while Europe's share has climbed from 2% to 33% in that period.

The tourist business is a very lucrative income we have taken almost for granted in the past years. We can't afford to do so any longer. Now we are competing not with the hash-slinger of northern Wisconsin but with the thoroughly trained chefs in Europe.

Good or Bad?

In our various anti-monopoly laws are we protecting the public or are we protecting inefficient business?

Inefficient business, answers Burton S. Kierstead.

Professor Kierstead is the head of the Department of Political Economy at the University of Toronto. He was speaking to a small professional group in Toronto last week and he made it very clear that his conclusion was based purely on economics.

If a company offers a better service or a better product than its competitors it gets the business, argues Kierstead. As a result it can become a monopoly simply by accident. But under the present laws of Canada or the United States, he points out, such a company could find itself prosecuted as a monopoly and automatically be declared guilty.

Does that sort of thing protect the public? Does it give the public better goods or better service? Does it encourage efficiency and improvement? Professor Kierstead says no and there will be plenty of people who will agree with him.

Are We Too Cautious?

In a young and rapidly growing country like Canada, foreign investment is essential and welcome. Without this vital financial aid from beyond our borders development could not have reached anything approaching the present stage. And without that development we could not be supporting 15 million Canadians.

But a country can go too far in its dependence on outside capital and there are some fears that we may be leaning in that direction already. At the annual meeting of Bank of Nova Scotia shareholders in Halifax this week, President H. L. Enman issued this timely warning:

> "While we are experiencing a readjustment just now, I see nothing in it to alter our remarkable prospects of growth and development. Our friends in the United States see our potentialities and frequently act upon them, and so do many shrewd observers overseas. However, there are some Canadians who take a more cautious and sceptical point of view.
>
> "There have in my view been too many sales of Canadian-developed businesses to external interests in the past year or so. There is no objection to such sales in themselves. But they are to be regretted to the extent that they indicate a lack of imagination and vision. We must not sell our birthright and there is real danger that we shall do so if we put undue emphasis on caution."

Coming from a leader in a profession that is by nature and necessity cautious that opinion is worth pondering indeed.

Servant or Tyrant

So far, most discussion of nuclear energy has dealt with its destructive and terrible power as a weapon of war.

A recent example comes from the Alsop brothers, two of the most able commentators on the U. S. scene: "No one can really be sure, moreover, at just what 'megatonnage level' (repeated explosions of) the hydrogen bomb, our principal offensive weapon might destroy, not only the enemy, but all life on earth. Indeed, this is the most terrifying fact about this most terrifying weapon — that no one really knows what it will do."

Certainly this is a prospect that compels our attention. But we may very well worry so much about what the bomb could do to civilization that we overlook completely what it could do for civilization.

In a Philadelphia address, John Jay Hopkins, Canadair Ltd., urges that industrial and political leaders preach the good news of massive atomic creation rather than the bad news of massive atomic destruction.

As Mr. Hopkins says: "We have subsisted thus far and richly for some four billion years on crumbs from the table of the sun. Now we have promise of a fuller sharing in the infinite power and plenty of the universe."

After such a large dose of terror and gloom it is good to get some reassurance that if we keep our heads we have discovered in atomic energy, a servant and not a tyrant.

They Rose To The Demand

There's little cause for surprise in the revelation by the Income Tax Branch that architects and engineers have become the top income-earners in this country.

The figures in the Green Book simply reflect the nature of the economy—the fact that Canada is growing, and building, faster than ever before. In these circumstances the price is bound to mount for the services of men who can plan and organize the construction we must have to meet our new needs.

In a sense, the figures also reveal two other characteristics of current Canadian conditions: the caution with which we have approached our boom, and the prodigality with which we use our human resources.

Our caution has prevented us from turning out large numbers of slide-rule men to meet a situation which no one was prepared to consider permanent—a rate of growth we were almost afraid to believe in. True, schools of engineering and architecture have expanded, and their rosters are full; but there's still an acute shortage, particularly in engineers, as a recent Ottawa survey disclosed.

There's not much doubt, though, that we've contributed to the shortage of such skills by using engineers and architects to do many jobs for which others are equally well trained. There has been no economizing on this scarce resource.

For the economy, this may be somewhat regrettable. For the engineer and architect it's all part of a process that has brought him to the top of the economic totem pole.

Few Canadians will begrudge him his standing. He's climbed to his lofty perch by hard and inventive work—by responding to the imperious demands of our expanding economy.

When Quarters Are Cramped

After a few years and a second baby, a lot of young NHA house owners are beginning to find their quarters a bit cramped.

Lacking the means to put up the heavy down payment usually required on older and larger houses, many of them have attempted to expand their present homes. Over the garage or behind it they build an extra room.

The results are usually disappointing. The addition, even when carefully planned and well built, very seldom adds anything to the appearance of the original house. It may spoil the general balance and also the rooms into which connections are made with the original building.

Not only is there this risk of lowering the value of what is a substantial investment, but there is the matter of cost. Additions are always more costly than original building, usually about twice as much per square foot.

From the economic standpoint one would be much farther ahead to turn the smaller house in on a larger and older model. Standing in the way, however, are those big down payments.

In any future revision of the National Housing Act, some aid here would seem much more sound than the "open mortgage" plan as has been suggested in the United States. The "open mortgage" will simply encourage cramped home owners to extend quarters in makeshift fashion and at excessive cost.

Example of Industry Help

"The contribution to the community of productive industry is sadly underestimated by the majority of people . . . and there is a real danger that the attitude, aims and social conscience of industry are seriously misunderstood by that same majority."

When J. A. Calder, president of the Canadian Manufacturers' Association, spoke those words in Hamilton last week end he was referring to a general situation.

There is a specific example, however, in the publication of the book, Canada's Flying Heritage, by Frank H. Ellis.

As the title suggests, the book is a review of flying in this country over the past 40 years. Because of Canada's interest in air transportation, the book represents an important addition to the national record.

The catch lay in the cost. To be really worth while, a book like this must have a lot of engravings, tracing carefully and in detail the development of the aircraft and aviation. Engravings are expensive and would have meant in this case a retail price of about $50 per volume. That would mean limited circulation, very limited. Even some libraries cannot afford many books at that price.

Instead, Imperial Oil Co. underwrote the costs. With the publishers, University of Toronto Press, also absorbing some of the expenses, the retail price was reduced to $7.95.

Without this very considerable contribution, it is possible the book might never have been published. Certainly a lot fewer Canadians would have had a chance to own it.

Social Credit Splits PC's

It is their radically different views on relations with the Social Credit Party that splits the Conservatives in British Columbia, declares a writer in the Winnipeg Free Press.

The federal Conservatives, says this writer, are still hopeful of coming to an agreement with Social Credit in the West. The local body, or at least the rebel portion of it, is sure that Premier Bennett is not a Conservative in disguise and is determined to capture Ottawa under his own Social Credit colors. No genuine coalition either local or national is possible, it says.

That is certainly a new and interesting view on what has been a puzzling situation to the rest of Canada. Unfortunately it does not offer much hope of any quick strengthening of the official opposition in Canada, a strengthening that is imperative, if the two-party system of government is to operate properly in Canada.

Napier Moore's Scratch Pad

OUR EXTENSIVE TRAVELING, on which this column has reported for several weeks, is just about over. Tomorrow we fly from Miami to Nassau, where we will come to rest for a while.

We did the last stage of our journey through the United States by car, driving from Washington to Miami. All through Virginia and North Carolina, we drove through soupy fog and pelting rain. It wasn't until we got well into Georgia and passed an enormous sign reading "WELCOME — YANKEES AND CANADIANS" that the skies cleared, making more tolerable some long stretches of rough going in the Peach State due to highway construction work.

While on the subject of rough going, Canadians who plan to drive to Florida this winter should heed our warning on one point. Passing through St. Augustine, we got the notion that it might be pleasan to take the shore road (A-1-A) to Daytona. A short distance from St. Augustine, the road becomes a slithery, sandy mess leading to the worst miles of ruts and holes we have ever experienced.

• • •

IMPRESSIONS: The state, and sometimes city, taxes on everything you buy (they vary according to the state) including hotel and motel rooms, meals and tobacco. The price is always quoted and then the rate of the tax. Thus people know exactly how much they are being taxed.

The number of motels along the highways; many of them beautifully laid out and with bedrooms and bathrooms more sumptuous than any hotels save those in the luxury class.

The difficulty of getting a peaceful sleep, even in the most comfortable motels, because of the noise made by transport trucks and, in many cases, the earsplitting wails of diesel-engined trains on nearby railway tracks. Motels have to be near highways. And all night long, in steady streams, the transport trucks, monsters all, roar by in hideous din. We did have a truckless night in a charming motel on Daytona's broad Ridgeway Ave. Transport trucks are banned from Ridgeway Ave. The proprietor of the hostelry told us that the women of the city achieved that. "It used to be awful," he said. "The menfolk just wouldn't do anything about it. So the women got busy. And they did it."

In Georgia and Florida, the extraordinary number of roadside "zoos" advertising monkey jungles, alligators, snakes, sea lions and goodness knows what.

In Georgia, the signs on dwellings proclaiming the presence therein of palmists and dealers in the occult.

The magnificent bridge which is the entrance to Savannah, and the incredibly sordid colored shack town through which the bypass road winds.

The miles of incredibly palatial and vast mansions along the ocean road south of West Palm Beach.

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AMONG THE THINGS that were past our understanding was the fresh fruit situation in Florida. Fresh fruit is important to us. We happen to be a diabetic. And you'd be surprised at the frequency with which we can't get fresh fruit in restaurants. It's so much easier for them to open a can.

When we got into the Florida fruit country, we thought our troubles were over. We passed grove after grove of orange and grapefruit trees. Every other mile was a stand advertising "Fresh orange juice—all you can drink for 10c."

Then we stopped for lunch at a restaurant near Stewart. We asked the waitress for some fresh fruit. She said there was no fresh fruit on the menu. No oranges, no grapefruit, no melon. Not even a banana. We explained our predicament and asked her if she would consult with the kitchen and see if they hadn't a grapefruit or orange tucked away. She came back and said that there were oranges in the kitchen, but they couldn't sell them.

Baffled, we asked for the manager. He came. He said that unless oranges or grapefruit were on the menu he couldn't sell them. And they wouldn't be on the menu until the winter season, from Dec. 1 to the end of March. He couldn't sell fruit without a fruit seller's license. That was a state, county and city ordinance. However, he would be delighted to give us an orange with his compliments. Which he did. He said, "You have to come to Florida to get California orange juice. We can't get good fruit here because it is all shipped up North. In my bar I'm using Spanish lemons and oranges from Tangiers."

We departed marveling greatly over these things.

• • •

WE WERE HAVING lunch in North Carolina when another Ontario car pulled in. There debarked two elderly ladies, both handicapped by arthritis. They came from Muskoka and were bound for Vero Beach, Florida, to spend the winter. One, 70 years old, did all the driving. Next morning at Ridgeland, South Carolina, where we had stayed the night, they came into the same dining room for breakfast. They had spent the night farther north, but had started off at 6 a.m. Which is more than we could ever do.

• • •

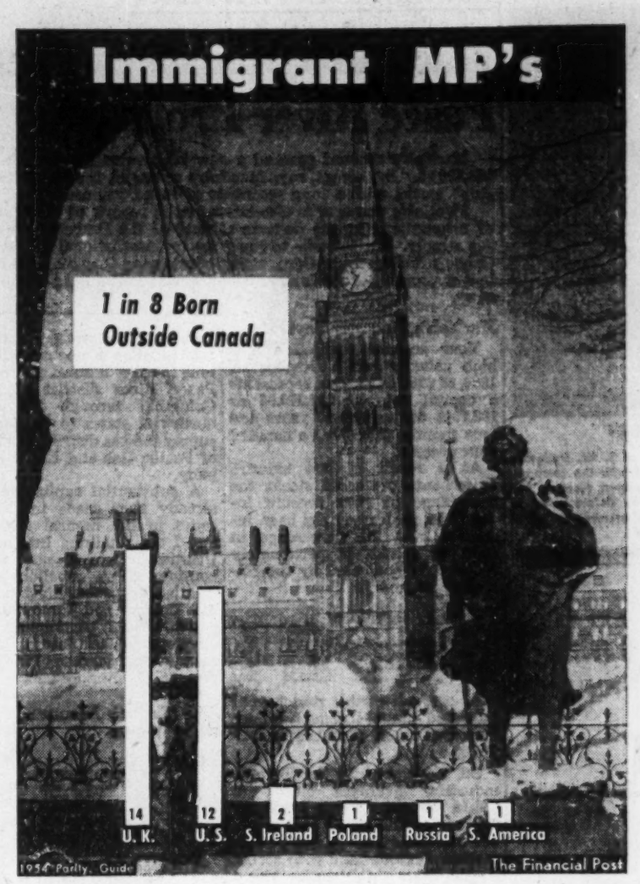
IN THIS MIAMI hotel there is a convention. And, of all things, it's the Florida Ice Association.

Stop Me If

A newlywed groom came home one evening with a package of sausage and suggested that the bride prepare them for breakfast. "How do you cook them!" his bride inquired timidly.

"Fry 'em just like fish," instructed the husband patiently.

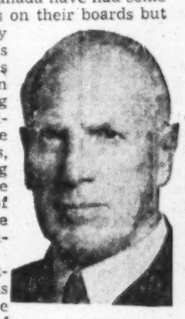
Next morning the bride sat at the breakfast table and apologized. "I hope you enjoy the sausages, dear, but there wasn't much left of them after I cleaned the insides out."



Post Scripts

Western Recognition

For many years most of the chartered banks of Canada have had some western directors on their boards but until very recently no officers. That's changed now. This new recognition stems from the big industrial development in all three prairie provinces, which is tending to balance the great growth of agriculture since this region of Canada was opened.


MR. SELLERS

The latest western bank officer is Henry Eugene Sellers, head of the Federal Grain Co., who was recently elected vice-president of the Imperial Bank.

Born and educated in Port Arthur, Sellers came to Winnipeg more than 45 years ago, starting in one of the usual minor jobs with a Winnipeg grain company. For years he was with the former firm of Hargraft & Gooderham. He was president of the Winnipeg Grain Exchange in 1933-34 during a critical time for the trade.

Henry Sellers is also president of the Alberta Pacific Grain Co., a wholly owned subsidiary of the Federal and an officer of half a dozen other companies, some of them associated with his own company, but all engaged in some branch of the grain business.

Interests in public and community work are equally varied. Throughout the last war he was a member of the National War Finance Committee and for five successive years from 1941 to 1945 was chairman of the Manitoba Victory Loan Campaign. The University of Manitoba awarded him an honorary LL.D. degree in 1944.

Community Builder

Angus McClaskey says he has one of the most interesting jobs in Canada. Sitting in a stately old farmhouse north of Toronto, he directs the growth of Canada's largest scientifically planned satellite community.

MR. McCLASKEY

The community is Don Mills Development, and McClaskey is its new president. He is also president of Canadian Equity Development Ltd., holding company for Don Mills and for Greater Hamilton Shopping Centre Ltd. As vice-president in charge of Greater Hamilton Shopping Centre he oversees growth of a potential $18 millions of stores on Hamilton's former jockey club. (A large department store is to open there shortly.)

McClaskey succeeded the late Karl Fraser to the helm of these enterprises, owned by a group of financiers headed by E. P. Taylor. He has himself seen Don Mills grow from almost nothing, however. When he left his job as Ontario regional supervisor of Central Mortgage & Housing Corp. in July, 1953, to assist Fraser, there were almost no buildings on the 3,000 acre Don Mills site.

Within a 12-month period more than 700 families have bought homes in the development. And more than 250 apartments have been rented. Families are moving in at the rate of about 10 a week.

Any fear of working yourself out of a job with this rapid rate of expansion? No, answers McClaskey.

Don Mills won't be completed till 1960, it's estimated. Total building possible on the acreage is perhaps $200 millions.

McClaskey has had something of a Canada-wide career too. He grew up in Saskatoon, where he graduated in law. He was articled as a law student to J. W. Estey, now a justice of the Supreme Court of Canada. From 1931 to 1940 McClaskey was attached to the Toronto General Trusts Corp. as estates and mortgage officer. He enlisted in the RCAF in 1940, demobilized in 1945 as assistant judge advocate general with rank of wing commander with an MBE.

McClaskey was in on the ground floor with Central Mortgage & Housing Corp. after the war. When he arrived in Winnipeg to open the prairie regional office as supervisor he was the only CMHC employee in three provinces. In 1949 he was transferred to Toronto as Ontario regional supervisor.

Public Health Man

Dr. Morley Robinson Elliott, elected president of the Conference of State and Provincial Health Authorities of North America at its recent convention in Buffalo, is the second Manitoba doctor to hold the position. Both were deputy ministers of the provincial health department.

DR. ELLIOTT

The first was Dr. Fred W. Jackson, who was deputy minister of health and welfare in Manitoba up to 1948 when he left to become national director of health insurance studies at Ottawa. Since then the two branches of the department have been divided for administrative purposes, with two deputies, one for health and one for welfare, but both responsible to the same minister.

As deputy minister of health Elliott succeeded Jackson a second time. The other was when he took over his medical practice in Wawanesa, Manitoba. Elliott carried this on until 1933 and quit it, again because of persuasions of Jackson to abandon private medical practice and get into the field of public health.

Whether this move worked out so well financially, Dr. Elliott says he has never regretted it. On leaving Wawanesa he went to the University of Toronto and got his public health diploma in 1935.

Born in Goodwood, Ontario, about 30 miles north-west of Toronto, where his father was agent for the old Grand Trunk Railway, Elliott was eight years old when his family moved to Manitoba. His father located at Rapid City as agent for the Canadian Northern Railway. After finishing his high school education he took premedical studies in Winnipeg and took his degree at Manitoba Medical College in 1926. For seven years he was a private practitioner most of the time in Wawanesa.

For a year after getting his public health diploma in Toronto he was on the staff of the city of Winnipeg health department. The next year he joined the provincial health and welfare department which, next to public works, is now the biggest spending branch of the Manitoba Government. For its work in the current fiscal year the Legislature last winter authorized $11½ millions.

Dr. Elliott was only three years with the department when he enlisted. In mid-September, 1939, he was the first provincial civil servant in uniform. His war service lasted over six years. On his discharge in January, 1946, he was assistant director of hygiene at Army Headquarters in Northwest Europe.

The Conference of Health Authorities he now heads was founded in 1883.

What Others Are Saying

Editorial of the Week

Taxes — Up or Down?

Victoria Times

It is all very well for Mr. Harris to express alarm, for taxpayers to demand reduced taxes; the hard fact of practical politics is that the Canadian people are far more anxious than the Government to spend money for state services. Hardly a day goes by without some new demand, from some part of the country, on the national treasury. And usually the petitioners insist at the same time that taxes should be cut.

Some financial reformers will reply, of course, that Mr. Harris' problem can be simply and painlessly met by forgetting about the deficits which, it is said, are quite harmless and, indeed, desirable.

Undoubtedly, under some conditions, deficits are unavoidable and may be wisely incurred to stimulate purchasing power during a serious depression. But Canada is not suffering from a depression, serious or otherwise. It is almost as prosperous now as in the peak year of 1953. Pockets of unemployment, well deserving amelioration, should not blind us to the general state of the nation.

The most ardent Keynesian could hardly argue that deficits are needed now for their own sake. We may be sure Mr. Harris would like to put his books in the black next year. Clearly he would also like to cut taxes. His logic leads him inevitably to drastic economy. Next spring we shall learn whether he is prepared to follow that logic.

Other People's Views

HIGH COSTS not unemployment is the real problem in Canada, states the **Calgary Herald.** "Unemployment is only a symptom of a more deep-seated ailment. That ailment is the fact that our costs of production are too high. Not only has this caused Canadian goods to be priced out of many export markets; they cost too much for many Canadians also. If production costs can be brought down, prices can be brought down, too; and not only could we then hope to get some of our export markets back, but domestic buying would go up too."

• • •

ILLEGAL PICKETING threatens our very democratic existence, declares the **Cobourg (Ont.) Sentinel-Star.** "In a democracy when a strike denies the right of man to the quiet enjoyment of his own property, the freedom of the individual is defeated; and when individual freedom is taken away, man is bereft of enterprise, initiative, enthusiasm, and Faith in Tomorrow—when man's faith, when his hope is gone, his religion, his all has been taken from him."

• • •

WHILE PRAISING the Scandinavians in pioneering the Arctic air route, Canadians, says the **Regina Leader-Post,** "can't help but regret that but for the aviation policies of the federal government, their enterprise might have reaped the honor and glory of launching the new route. Canadian Pacific Airlines has the equipment ready and all preparations completed to link Vancouver and Amsterdam via the great circle. This Canadian company has been cooling its heels, awaiting permission from Ottawa to inaugurate this service."

• • •

CHEAP POWER should mean more jobs for Canadians, points out the **Abbotsfield (B.C.) News.** "Electric power, in enormous quantities, is essential to aluminum manfacture. The American northwest is critically short of power. Further aluminum development there will only be possible with British Columbia power. Why, in heaven's name, do we not concentrate on bringing that aluminum development to British Columbia, instead of working on a deal to keep it in the United States? If we are going to be content to just store water for Kaiser, construction and payroll dollars will stay south of the border."

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December 4, 1954

St. Laurent-Duplessis Tax Pact Still Proves Elusive

OTTAWA (Staff) — Any tax agreement which may be reached between the Federal Government and Quebec now appears unlikely to be ready to submit to Parliament when it opens here on Jan. 7. Earlier, and certainly over-optimistic, reports elsewhere had suggested final agreement and approval of all the provinces before the end of the year.

The first contact between federal and provincial officials did take place at the end of last week, when Dr. Kenneth Eaton, assistant deputy minister of finance for taxation, led officials of the Departments of Finance and National Revenue to Quebec. They were received by Mr. Duplessis as a courtesy, but their serious talks were with George Shink, Quebec's controller of revenue.

This contact does not, even yet, deserve the name of "negotiation." The talks were devoted to the examination of a number of statistical matters. Chief of them seems to have been the possible yield of Quebec's provincial income tax in the present and future years.

The $22 millions which Mr. Duplessis gave as his estimate to the Legislative Assembly a year ago may, it is thought, have been somewhat conservative. Or it may have taken account of the fact that the first year's yield — with deductions at source starting late — could be less than normal. Whatever the facts, it is now understood that federal and provincial officials understand each other better on these matters of detail.

This does not yet mean that the Federal Government has settled the formula which it might offer to Mr. Duplessis as a means of letting his taxpayers escape from the payment of double income tax. The probability is that the federal offer will eventually follow one of the variations of the "90% ceiling." (This is the slang now adopted to describe the St. Laurent proposal of permitting full deductibility, provided provincial revenues from the taxes in the "tax rental category" do not exceed 90% of what the federal tax rental payment would have been. Some of the possible variations were discussed in last week's Post.)

But all the variations are being very carefully studied here still. Consideration is being given to the repercussions which they might have in two ways:

—On the present agreements with the other provinces, in which respect Premier Frost of Ontario is the key figure.

—On the future pattern of taxation agreements which must follow the expiry of the present tax rentals on March 31, 1957.

These wider and longer considerations preclude any hasty proposals to Mr. Duplessis. And, as at mid-week, the Finance Department still didn't have a full report for Prime Minister St. Laurent.

JACK H. GRINGORTEN

production manager, Canada Motor Products Ltd., Toronto, has been elected national president, Canadian Industrial Management Association.

Pembina Pipe Line Issues Worth $11 Millions Sold

MONTREAL (Staff) — Three new issues of Pembina Pipe Line Ltd.—bonds, debentures and preferred stock—were sold this week by Nesbitt, Thomson & Co. and Wood, Gundy & Co. They include:

—$7.5 millions series "A" first mortgage bonds. These consist of $4 millions 4¾% due 1971, to be priced at $100; and $3.5 millions serials due 1957-65, placed privately.

—$2 millions 5% series "A" sinking fund debentures due 1972, to be offered at $100; and carrying a bonus of five common shares per $500 principal.

—$1.5 millions 5% cumulative redeemable $50 par preferred stock, priced at par; with a bonus of one common share per preferred share.

Grand total: $11 millions. Another $500,000 of preferred stock and $1 million of common stock were sold privately. All proceeds will finance the cost of Pembina's main pipeline and the part of its gathering system and necessary facilities to be finished by the end of 1956, along with part of the cost of completing the balance of the gathering system.

The company's 72-mile, 16-inch line from the Pembina field to Edmonton has now been completed. Average daily crude capacity will total 115,000 bbl. with one pump station, 150,000 bbl. with a booster station. The finished gathering system will include about 200 miles of pipe.

Total construction cost by the 1958-59 completion date is estimated at $14.2 millions, of which $11.9 millions will be spent in 1954-56.

Earnings Estimate

The prospectus includes a 8½% return and a throughput as projected by Degolyer & MacNaughton, petroleum engineers and consultants, of Dallas Texas. This shows an average net operating profit of $1,397,200 for the period, after depreciation but before interest and taxes.

Maximum annual interest requirements on the series "A" first mortgage bonds will total $338,750, on the debentures $100,000.

Degolyer & MacNaughton estimate crude oil reserves of the Pembina field Cardium strata at 479.9 million bbl. Pembina limits have not yet been established. They figure an average daily production rate of 50,000 bbl. for a 20-year period starting Jan. 1, 1957 can be obtained. A daily rate of at least 23,000 bbl. in 1955, 49,000 bbl. in 1956, could be achieved, they feel.

Thus revenue for 1955 should hit $1,433,000, it's estimated. After all charges, net profit is forecast at $428,000.

Estimates for later years are as follows: 1956, revenue of $2,076,000 and net profit of $524,000; 1957, revenue $2,290,000 and net $567,000; 1958, revenue $2,492,000 and net $615,000; 1964, revenue $2,677,777 and net $631,000.

Outstanding capitalization on completion of the present financing will include: $7.5 millions 4¼%-4¾% first mortgage bonds series "A"; $2 millions 5% sinking fund debentures series "A"; $2 million 5% cumulative redeemable $50 par first preferred stock; and 400,000 common shares, $5 par.

Mounting Exports Pep Pace In Our Chemicals Industry

The doors to export business are starting to swing open again for many Canadian chemical firms.

Enquiries are rolling in from almost all the former trade countries—and a few new ones as well. Already they are paying off in mounting export orders.

One of the largest Canadian chemical firms reports exports up 500% in the past three months. Others estimate gains ranging from 15% to 200%.

All look to 1955 as a banner export year. Basic chemicals, synthetic rubber, plastics, plastic raw materials, fertilizers are among some of the chief items affected.

The livelier export tune started to sound about September and has been picking up volume ever since. Most of it is resulting from the full-fledged business boom getting into high gear in Commonwealth and Western European countries—plus continued good business tempo in many South American countries.

Improving exchange positions are making the dollars easier to come by for overseas importers. Import quotas are being continually relaxed to permit both a wider range of imported goods as well as larger quantities in individual categories.

Promising Look-See

Just back from a world market survey, officials of Polymer Corp. —Canada's big synthetic rubber producer at Sarnia—see the overseas export outlook very promising. For the first time the average man seems to have money to spend on non-essential items. More people than ever before are driving their own automobiles. The change is particularly evident in U.K., Australia, New Zealand, France, West Germany, Benelux, Italy.

"As far as we are concerned, 1955 is lining up as an excellent year," a rubber executive told The Post. "Exports will certainly absorb all the production we have left over after domestic requirements have been filled—this could mean as much as 55% of our total production going to exports."

Shawinigan Chemicals officials have noted a "significant upturn" in the last three months, largely because of the improved exchange position of sterling countries. They expect this business will get even better in 1955. Main countries involved: U.K., Australia and New Zealand.

Du Pont of Canada says Cellophane exports are up 500% in the past three months and nylon overseas sales have risen 115% in the same period. Main markets have been Australia, New Zealand, South and Central America and Malta.

Monsanto Canada claims they have never had better export sales than in the last three months and that the boom is still continuing though at a slightly slower rate of growth. Main export items are plastic raw materials and purchasing countries include mainly Southeast Asia Africa, India and New Zealand.

1955 A Good Year

Dow Chemical of Canada sees 1955 a promising year, reports overseas business being maintained at a "satisfactory clip."

Canadian Resins & Chemicals report plastics sales to Europe and South America up "substantially," although U.S. manufacturers are able in many cases to outbid Canadians because of their lower dollar value.

Shell Oil Co. of Canada reports some promising export business with certain South American countries and Cuba. Main items involved are isopropyl alcohol and acetone.

Some Canadian firms like Canadian Industries (1954) Ltd., whose exports to some 50 different countries involve sporting ammunition, polythene, fertilizer, paint, etc. report no appreciable increase in export business in past three months. Some 40% of their exports go to U.S. where trend has not kept pace with overseas markets.

Expect Inland Chemicals Issue For Acid Plant

MONTREAL (Staff) — Public financing in connection with the new sulphuric acid plant to be built near Edmonton by Inland Chemicals Canada Ltd. (The Post, Nov. 27) is expected this week.

Included are $500,000 5% Series A secured notes, due Dec. 15, 1962, and $350,000 6% cumulative (from Jan. 1, 1956) redeemable $10 par preferred stock. Each $1,000 principal amount of notes carries a bonus of 25 common shares, and each preferred share a bonus of one-half a common share.

Both issues are to be offered by W. C. Pitfield & Co. Proceeds, along with those from sale of 49,000 common shares, will be used toward payment for design and construction of Inland's acid plant and related facilities at Fort Saskatchewan, Alta. Any balance of funds needed for this will be obtained from bank loans.

The acid plant, with a capacity of 100 tons daily, will cost Inland an estimated $810,000 and is scheduled for completion by Oct. 1, 1955.

Inland's site is adjacent to Sherritt Gordon Mines' chemical and metallurgical plant. Sherritt has contracted to buy 7,300 tons of sulphuric acid a year at a fixed price, on a "take or pay" basis, and may raise purchases to 14,000 tons annually. Under the agreement Sherritt Gordon can also take, for production of agricultural fertilizers, as much acid as Inland can produce in excess of its contracts for sale to Sherritt or others. Price here will be a percentage of Sherritt's then current net price per ton for ammonium sulphate.

The agreement with Sherritt will run for 10 years, renewable for further seven-year periods subject to renegotiation of the price for acid.

Sulphuric acid consumption in the three Prairie provinces now totals over 6,500 tons a year, exclusive of Sherritt Gordon. Inland, because of continuity of supply and strategic location, hopes to serve "a substantial portion" of the Prairie market.

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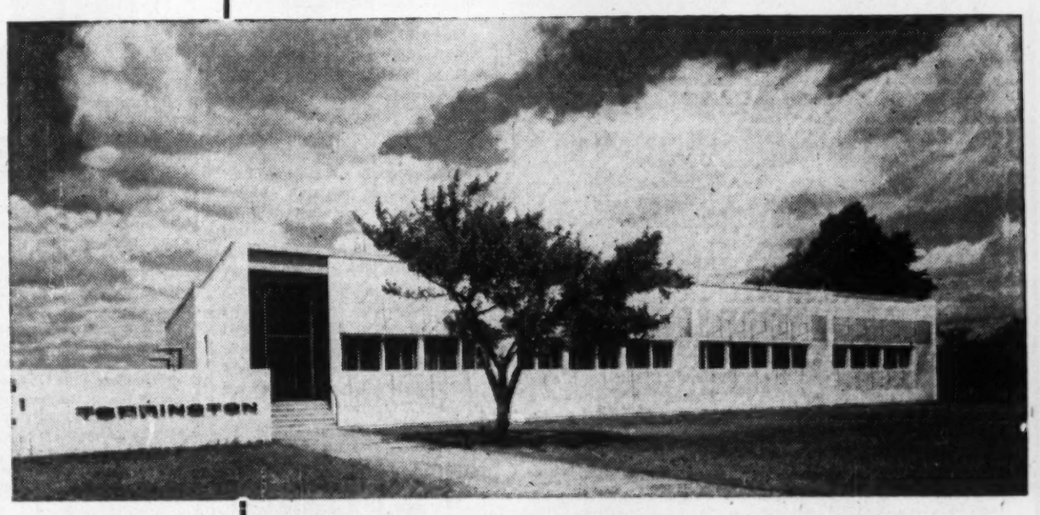

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Momentum of Canadian Growth Continues Strong

Some Slackening in Manufacturing and Agriculture—Highly Competitive Conditions Likely as Steady Diet

Must Not Sell Our Birthright Through Over Caution, Says H. L. Enman, President of The Bank of Nova Scotia at 123rd Annual Meeting

FOR THE first time since the war Canada has experienced a year that was not as good as the year before. It is true that the slackening in business activity has been very moderate. The gross national product—that broad measure of the value of the national production—will be close to $24 billions in 1954, only a little lower than the $24.3 billions of 1953. The year just coming to a close will certainly be the second best year in Canada's economic history from the standpoint of the level of production and income.

H. L. ENMAN
President
The Bank of Nova Scotia

But the fact remains that there has been some slackening in economic activity. Employment, which is probably the most generally accepted measure of the state of economic well-being, has been running from 1% to 2% lower during the present year than in 1953. Though this is a small decline, it has been associated with a significant increase in unemployment and there have been more people working short-time. This setback in employment conditions has centred in the manufacturing industries where employment has been running some 5% below the previous year's levels.

Recession in Manufacturing and Agriculture

The decline in manufacturing activity has been concentrated in the metal-using and textile industries. Sizeable declines in production and employment have occurred in the industries making iron and steel, automobiles and parts, farm implements, railway rolling stock, machinery and tools, and some types of electrical apparatus. As is well known, the textile and clothing industries have suffered a substantial reaction.

In addition, agriculture has suffered some reverses. The cash income of farmers will be somewhat lower—perhaps 10%—this year than in 1953 which in turn was slightly below the peak of 1951. To some extent lower prices—for wheat, hogs, poultry and eggs—account for the reduction in farm income. But the main factor curtailing farm receipts in the present calendar year has been the decline of grain exports. Limited exports have meant that only limited space has become available in the congested grain storage system and this has resulted in a much reduced rate of deliveries from farms to country elevators. Since there is still a large quantity of 1953 wheat on farms in most parts of the Prairies, the very poor crop of the present year has not yet had much effect on the cash income of farmers. However, it will certainly have an effect on future income and it has undoubtedly accentuated the declining trend of farm spending in Western Canada which has become apparent in recent months.

Reasons for the Readjustment

The reasons for this business readjustment are, I believe, fairly evident. In the first place, there has been a moderate recession in the United States. It is no accident that the industrial pattern of the reaction in Canada is very similar to that in the United States, where the main declines have been in the steel, automobile, machinery and equipment, and textile industries and where also farm income has declined materially. The Canadian economy, despite its underlying growth, was more vulnerable to U.S. influences than, for example, in 1949, when we scarcely felt the downturn in the United States. Canada was more vulnerable because, as in the United States, the pent-up demands of business and consumers for machinery and equipment had been largely met. We were far advanced in the enormous program of re-equipment, modernization and expansion which had been going on in industry and agriculture since the end of the war. We had also renewed and greatly increased the supply of automobiles and home appliances.

External Competition Keen

The other major reasons for the recent readjustment in business are the increase in world production of certain foodstuffs and the notable increase in external competition. The large wheat crops of 1952 and 1953 in North America, in Europe, and in the southern hemisphere led to surplus conditions and restricted international trade in wheat this year. Reduced shipments of wheat are the leading cause of the decline in Canadian exports which in the first nine months of 1954 were some 9% lower than in the corresponding period of 1953. The mounting intensity of competition in international trade in manufactured goods has also adversely affected Canadian exports. The impact of external competition on Canadian business has been even more apparent in the domestic market, and such competition has increased the difficulties of a number of industries including textiles.

Factors Sustaining Business in 1954

In 1954, there has been more variety, more conflicting movement, in the business picture than at any time in recent years. While sizeable declines were occurring in a number of the manufacturing industries and in agriculture, certain other branches of activity were going ahead rapidly. Resource development continued at a high level. The housing program was even larger than in the previous year and so were outlays for schools, roads, telephones, stores and office buildings. Some of the big export industries have been very active. In particular, pulp and paper, lumber, and a variety of minerals, including copper, nickel, aluminum, lead and a number of the new metals have been in good demand at firm and in some cases higher prices.

Finally, personal income has been well sustained. Though employment has been slightly below the previous year's levels, average rates of pay have been moderately higher both for factory and white collar workers and such other sources of income as rents, interest and dividends have also yielded more than in 1953. Thus, despite the reduction in farm income, the total of individual incomes has been sustained at a slightly higher figure than that of the year before. And this in turn has supported a rate of personal spending a shade higher than that of the preceding year though rather different in character in that outlays on durable goods declined while those on non-durable goods and services increased to some extent.

Conflicting Tendencies in Outlook

With so many conflicting tendencies, it is not easy to arrive at definite conclusions about the near-term business prospect. If anything, the outlook has improved recently because export markets for our basic products, including wheat, have been somewhat better, and because conditions in the United States have been steady and in some directions have shown improvement. However, it would be premature to conclude that the readjustment will soon be completed and that our difficulties will be over. There remain a number of declining influences at work and the balance between these and the improving tendencies would appear to be a close one.

Looking first at the downward tendencies, we cannot ignore the fact that the demand for machinery and equipment and for industrial construction has slackened. With so many plans for plant expansion and modernization recently completed and with profits down in a number of manufacturing industries, it would not be surprising if such demands were to decline further in the coming year. Nor can we ignore the implications of the decline in farm income. One only has to look at the recent general downturn of retail spending in the Prairie Provinces and the earlier contraction in Prairie sales of farm machinery, trucks and automobiles to realize that the industrial part of the economy still has a vital interest in the fortunes of the wheat farmer. Fortunately, however, wheat prices have ceased to decline, export shipments have increased in recent weeks, and marketing prospects have improved significantly. Perhaps the coming year may see the decline in cash farm income brought to a halt and there is certainly no reason to expect a long-continued downward movement.

Highly Competitive Conditions Will Continue

For next year, and probably as a steady diet, I think that we should be well-advised to expect the continuance of highly competitive conditions arising both from the increase in our own productive capacity and from the continued efforts of other countries to develop their sales in our market. The intensity of import competition has perhaps lessened in some directions lately and the customs authorities are reported to be making additional efforts to prevent dumping in the Canadian market. It should be recognized that we in Canada have carried out our obligations to liberalize customs procedures under the General Agreement on Tariffs and Trade in spirit as well as in letter and have gone further in this direction than most other countries. There is thus a double reason why special efforts should be made to see that dumping—selling below prices prevailing in the country of origin—should be prevented. Whatever action is taken in this regard will only affect an unreasonable form of competition. It will not alter the fact of strong competition from the United States and overseas countries.

Problem of High Costs

In other words, some of our industries will continue to be faced with problems of relatively high costs. They will find it difficult to pay wages comparable with those paid in some of the strong and efficient Canadian export industries and in some of the industries concerned with development. They may find it difficult to put enough funds into plant, equipment and organization to improve their efficiency. In general, high and rising wages are a good thing, and it must be admitted that the momentum of rising wages and salaries has helped to sustain buying power during the present year. But businesses cannot for long pay out more than they can earn at the prevailing market prices for their products, either in wages or in payments to their owners. If they do, the result is bound to be failure, with major loss of income for workers and owners. Or if the business concerned is starved of capital in order to keep up wages or dividends, the result will be a gradual and ultimately disastrous loss of competitive capacity. These are simple truths. Though the interests of management and labour may not always be identical, their common interests become fully apparent when a business is faced with the question of survival.

Continued Growth of the Economy

As I pointed out earlier, the Canadian economy has continued to grow this year and the momentum of that growth will certainly be one of the strongest elements in the business picture during the coming year. Our population is still rising at a rapid rate and though immigration has been slightly reduced, the birth rate is running at an even higher level than a year ago. Though the number of new families formed next year may not be as large as in 1954—we are now, some twenty years later, beginning to see the effects of the low birth rates of the 'thirties on the number of marriages—housing activity should remain at a high level. And there is no doubt that, with the rapid increase in the number of school children and the marked growth of the automobile population, the demand for new schools and roads will be greater than ever.

There is a momentum of growth in the opening up of new resources as well as in population. New sources of energy and of basic materials attract industrial development and new lines of transportation to make markets accessible. The mounting reserves of natural gas in the west demand an outlet and the time is approaching when major gas pipelines will be built. The opening of the railway into New Quebec and Labrador, while it marks the near completion of one great project, opens a vast mineral bearing area for detailed exploration and development and increases the urgency of getting ahead with the construction of the St. Lawrence Seaway. Some of the big projects are admittedly approaching completion but there are new ones developing and great and imaginative projects being considered, from New Brunswick and Labrador on the east to British Columbia and the Yukon on the west.

Must Not Sell Birthright

While we are experiencing a readjustment now, I see nothing in it to alter our remarkable prospects of growth and development. Our friends in the United States see our potentialities and frequently act upon them, and so do many shrewd observers overseas. However, there are some Canadians who take a more cautious and skeptical point of view. For example, there have in my view been too many sales of Canadian-developed businesses to external interests in the past year or so. Of course, there is no objection to such sales in themselves. But they are to be regretted to the extent that they indicate a lack of imagination and vision. We must not sell our birthright and there is real danger that we shall do so if we put undue emphasis on caution.

External Developments More Encouraging

Perhaps the most encouraging aspect of the near-term outlook is the turn of economic events outside Canada. The recession in the United States has been halted and business in that country has been stable for more than six months. Recently, there have even been some indications of slight improvement. Moreover, in Britain and western Europe recovery has been continuing. It must be admitted that one of the results of this recovery has been intensified competition in world markets and right here in our domestic market. On the other hand, it has strengthened the buying power of our overseas customers. The growth of their exports and the improvement in their exchange position have permitted a significant relaxation of import restrictions which has already been of considerable help to some of our export industries.

Notable Improvement in Britain and Europe

Today, activity in Britain and western Europe is at a new postwar high and the balance of payments and exchange position has continued to improve. What is of profound significance is that these countries have gained ground while the United States was experiencing a reaction—a moderate reaction but a downturn nevertheless. When we remember the dire and widely accepted predictions of what would happen to the economies and exchange reserves of the sterling area and western Europe if the United States suffered even the slightest setback, this result is most encouraging. It indicates an unsuspected degree of vitality in the economies of these countries and it works to overcome the defeatist and dependent attitude which was unhappily quite widespread not long ago. Economic conditions in the free world are now much better balanced and the atmosphere is healthier than at any other time in the postwar period.

I do not think it is an exaggeration to say that given U.S. leadership the free world may well stand at the beginning of an era of unexampled prosperity and development. But U.S. leadership in the economic sphere is essential and it is still a question whether the United States is ready to recognize that the world's leading creditor and industrial power must give reasonable access to imports and lend abroad if healthy and expanding conditions are to be established in the free world.

Bank's Assets Pass Billion Dollar Mark

High Exchange Rate Points up Problems of Canadian Economic Policy

C. Sydney Frost, General Manager, reviews Bank's growth at Annual Meeting

IN THIS, our 123rd Annual Statement, the Total Assets of the Bank have passed the $1,000 million mark. This is a landmark in our growth and is a far cry from our first Annual Statement in February, 1833 when our Total Assets were £86,000 or approximately $400,000. Today, our assets are three times what they were in 1939 and not far from four times the figure for 1929. Part of the expansion, of course, reflects a decline in the value of money, but even so, the real expansion is great. After due allowance for the lower value of money, this Bank is more than twice as big as in 1929 and two-thirds larger than in 1939.

C. SYDNEY FROST
Vice-President and General Manager
The Bank of Nova Scotia

With Assets of over one billion dollars, and with a Capital and Rest Account of $50 millions, the Bank has become a very substantial organization. We have grown with Canada and, though we are only one of many institutions which have played their part in this country's growth, I think we have the right to feel that it has been an active participation and not simply the result of being around when times were good. And, as you will realize in surveying our operations and branch expansion, we intend to continue to play an active part in Canada's economic growth.

Assets Up $64 Millions

During the past year, Total Assets rose by $64 millions or 6½% to $1,029 millions. This is a greater increase than in the preceding banking year and somewhat more than the average annual increase during the postwar period.

Comparison of some of the items in our Statement is complicated by the change in its form this year resulting from the requirements of the new Bank Act, and for this reason we have reconstructed our statement of the preceding year on the new basis. The principal developments are notably different from the changes which occurred in the previous year. Indeed, in contrast to our experience in most of the postwar period, the main increase in assets is in Securities and Call Loans while Current Loans have actually declined to a moderate extent.

This is the first year since the end of the war that we have not experienced an increase in Current Loans which, at $477 millions, were $15 millions or 3% lower than at October 31st, 1953. We are still doing our full share of the bank lending business in Canada and this slight downturn reflects the moderate slackening that has occurred in certain lines of economic activity.

Rise in Securities and Call Loans

On the other hand, Security Holdings rose notably, by $58 millions to $268 millions and the entire increase occurred in our holdings of Government of Canada direct and guaranteed securities which at the statement date stood at $225 millions. In addition, there was a sharp increase in Call Loans—of no less than $47 millions. To some extent, this increase is related to the further steps in the development of a Canadian money market and to the change in the cash reserve requirements in the Bank Act which has enabled us to employ a moderate amount of cash in highly liquid day-to-day loans which are included in the Call Loan total. In part, the increase in Call Loans reflects a rise in our U.S. dollar resources and their employment in the New York call market. And as might be expected, this upturn in lending against securities also reflects the active condition of the stock and bond markets.

Deposits Up 7%

On the liability side, Deposits rose by $64 millions, or about 7%, to a total of $958 millions. The main increase is in personal savings deposits which at $497 millions were $57 millions greater than at the preceding year-end. The rise in our Deposits in the past banking year was somewhat greater than in the two preceding years and the increase is a good indication of the attention which managers and staff have given to this vitally important aspect of the Bank's operations. It also reflects the vigorous policy of branch expansion which we have been following.

During the year, we introduced a new and useful type of savings account—our Personal Security Program or P.S.P. This innovation in Canadian banking encourages regular saving through the guarantee of the savings goal against the risk of death on the part of the saver. The results of this new Program have been encouraging and we think so well of P.S.P. that certain incentives have been provided for the staff to stimulate its wider extension.

Earnings Well Sustained

To compare properly the earnings statement with that of the preceding year, it is necessary to take into account the transfer of our General Office building in Toronto to our wholly-owned subsidiary, Empire Realty Company Limited. This transfer has had the effect of reducing earnings before depreciation and taxes because of the rentals now paid by the Bank to Empire Realty Company Limited. On the other hand, it has meant a reduction in depreciation on Bank Premises, and this has worked to sustain Profits after depreciation and taxes which were $3,161,000 compared with a shade over $3 millions last year. It will also be observed that the transfer of the General Office building has resulted in a substantial reduction in the Bank Premises Account. The transactions concerned are outlined in the Directors' Report.

After provision for the regular dividend of $1.60 per share and an extra distribution of 20¢ per share payable on February 1st, 1955 there was $461,000 to be added to Undivided Profits Account, bringing the balance in that Account to $1,524,000. From this Account, $1 million was transferred to Rest Account and an additional $1 million was also transferred to Rest Account from inner tax-paid reserves. Rest Account now stands at $35 millions and Paid-up Capital and Rest Account total $50 millions.

A Notable Change in Monetary Conditions

As our experience suggests, there has been a pronounced change in monetary conditions during the past twelve months. After a long and marked upswing, current loans which mainly represent short-term business credit, ceased rising early in 1954. In the third quarter, they actually declined to some extent at a time of year when they usually increase. This break in the marked upward trend of bank lending reflects, of course, the slackening in some types of business to which the President has referred. It also reflects a more cautious attitude toward inventory accumulation and a decrease in inventories in some lines.

With a slackening in the demand for loans and ample cash reserves, the banks have been active buyers of securities and they added very substantially to their holdings of Government of Canada securities during the third quarter of the year. Total bank assets and deposits have continued to increase. Monetary conditions have become comparatively easy after a period when money was rather tight.

Changes in Banking Practice

The revision of the Bank Act and of the Bank of Canada Act and the passage of the new National Housing Act during the year were accompanied by some interesting discussions of monetary matters and involved a few significant changes in banking practice. While there is not time here to discuss the changes in detail, the main developments were the entry of the banks into mortgage lending on new residences and the adoption of flexible cash reserve requirements.

Since the new housing act came into effect, the banks have in fact become an important source of residential mortgage funds. With the demand for commercial loans slackening, with bond yields declining and with ample cash, the banks have been in a position to make funds available for mortgages insured under the Housing Act.

Cash Reserves

The relatively ample cash position of the banks is attributable in large part to the change in the legislation concerning cash reserves. Until June last, the chartered banks were required to carry cash reserves equivalent to 5% of their average Canadian deposit liabilities. In fact, however, the customary cash ratio was 10% though there were some variations around this ratio. The new legislation set the required cash ratio at a minimum of 8% and a maximum of 12% and gave the Bank of Canada power to vary the ratio between these limits. Since the new legislation came into force the required ratio has been 8% and because of changes in the method of calculating the ratio the banks are now able to work quite closely to it. In practice, the banks have ceased to work to the former 10% ratio, though the prevailing ratio is still above 8%. This has meant that the cash position has been ample even though the Bank of Canada has absorbed some of the surplus cash by sales of securities.

Development of the Money Market

Closely associated with these developments were the further steps taken by the banks in conjunction with the Bank of Canada and the investment dealers to develop the money market. In the last few years, there has been some broadening in the market for short-term Government of Canada securities, and the purpose of the most recent steps was to broaden the market for Treasury bills and further extend the market for short-term bonds. In so doing, a new type of loan was developed—the day-to-day loan available from the chartered banks on the security of Treasury bills and short-term Government of Canada bonds to those investment dealers with established lines of credit at the Bank of Canada. The rate of interest on these loans is a competitive market rate which has been somewhat below the rate on three-month Treasury bills. The loans are callable on demand and are the most liquid type of bank asset next to cash. As I noted in discussing our own position some of the cash released by the moderate reduction in cash ratios has gone into these loans.

The new arrangements have worked quite well. The investment dealers have taken more interest in developing the market for Treasury bills and short-term bonds now that funds for carrying them are available at lower rates of interest. And the banks have a new outlet for employing idle funds for short periods and are assured of getting their funds on demand by the ability of the dealer to go to the Bank of Canada which acts as the lender of last resort.

Monetary Policy and the Exchange Rate

The pronounced decline in bond yields this year has much narrowed the wide spread which prevailed at this time in 1953 between bond yields in this country and the United States. But despite this narrowing of the spread in bond yields, which should have reduced and did in fact almost dry up Canadian borrowing in the United States, the Canadian dollar has remained unusually high. Though full information is not yet available, the strength of our dollar does not appear to be attributable to changes in current transactions. It is true that the current account deficit with the United States has not been quite as large as in the previous year. But our trade surplus with overseas countries has been reduced also, with the result that the overall current position does not appear to have changed much from that of 1953.

One of the reasons for the persistent strength of the Canadian dollar has undoubtedly been the recent development of investment trust funds in the United States which, partly for tax reasons in their own country, have taken a much greater interest in Canadian stocks. Purchases of exchange by such funds have been substantial. Another element of strength has been a developing British interest in Canadian opportunities. And probably of considerable importance, a number of Canadian owners of U.S. funds may have given up waiting for the Canadian dollar to weaken and, in bringing their funds home, contributed to the strength of the market.

Problems of Canadian Economic Policy

The strength in the exchange rate at an inconvenient time is a striking illustration of the problems of Canadian economic policy. The monetary authorities since late last winter followed a policy which, other things being equal, should have resulted in a decline in the exchange rate. They bought U.S. funds in appreciable amounts and they pursued a monetary policy which permitted an even sharper decline in long-term Canadian bond yields than that which had occurred in the United States. Yet other things were not equal and the central bank for obvious reasons could not push to indefinite lengths the sort of expansive policies which might be expected to weaken the exchange rate. At some point or other, the risks of inflation and unbalanced development outweigh the advantages to be gained from further efforts to reduce an unusually high exchange rate which has accentuated our external trading problems. It would almost seem that the problems of economic policy in this country are in their nature choices between alternatives none of which is likely to be satisfactory.

Branch Expansion and Improvement

Returning to the Bank's affairs, we have pursued an active policy of opening new branches and of improving existing branch facilities. We have endeavoured to attune our policies in this respect to the growth prospects of this favoured country and though there has been some slackening in general business conditions we have opened 24 new branches during the banking year. And, I may add, we are looking forward to another active year of branch expansion.

Most of this growth is, of course, in Canada. But we have also endeavoured to strengthen our representation abroad and new branches were opened in Jamaica and Cuba. The most interesting development was our new branch in Port-of-Spain, Trinidad. I attended the opening of that branch and was impressed by the friendly reception we received there. We in Canada have close ties of tradition and trade with the British West Indies, and I believe that the Bank can play a useful role in business relations between Trinidad and Canada as we long have between Jamaica and this country.

In addition to new branches, a very substantial program for improving branch premises has been carried out during the banking year. The largest job completed was the new office for the main branch in Hamilton, Ontario. We are pleased with this new building which we believe stands comparison anywhere both in appearance and in convenience to the customer. Major alteration jobs were completed in the main Montreal Branch, in Sherbrooke, P.Q., and in Regina and Swift Current, Saskatchewan, all of which will result in improved standards of service to our customers.

Tribute to Staff

In speaking at this annual meeting, my most important task is to draw your attention to the work of the men and women who are in fact The Bank of Nova Scotia. The gratifying results of the past year's business, which have been reported to you today, reflect the efficiency, devotion and team-work of the men and women throughout the service who comprise the BNS family. They have done a good job and I am proud to thank them on this occasion.

The record volume of business handled by the Bank in the past year, accompanied by the accelerated program of branch expansion, has placed heavy demands on our staff, the number of which showed a net increase of 174 during the period to a total of 5,769. The same set of circumstances has also opened up additional opportunities for individual advancement.

The Courses in Practical Banking for men at the senior levels, to which I referred on previous occasions, are being continued with beneficial results to those participating as well as to the Bank. With few exceptions nowadays, officers receiving their initial managerial appointments are first given the advantage of this Course and the generally capable manner in which these new Managers discharge their duties is, in my opinion, attributable in no small measure to this special training.

Bank Ready to Meet Challenges of Canadian Development

In my opening remarks, I referred to the landmark in our growth represented by passing the billion-dollar total in Assets. You, like myself, will be aware of other assets which, while not specified in our financial statement, are no less valuable in contributing to the growth and strength of this good institution which is older than Canada and has an unbroken dividend record of 122 years. One of these assets of which we are all proud is the high calibre of service rendered throughout our 427 branches in Canada and abroad. I have just spoken, if rather inadequately, of the contribution of the staff to our recent growth, and it is gratifying to see among all ranks a renewed keenness of interest in our further possibilities. We, the management and staff, acknowledge gratefully the support, encouragement and active co-operation of the Directors and the widespread interest of the Shareholders in the Bank's expanding activities. In addition, we feel we have the goodwill and support of our many customers numbering over a million in Canada and abroad. With all these assets and with a fine and long-standing tradition, we stand ready to meet the future with its challenges and, above all, its opportunities in the developing economy of Canada.

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How Cities Fighting Traffic Bogey

A Look At The Problems, What's Being Done About Them

Here is the second in a Post series on what cities across Canada are doing about their mounting traffic headaches. In individual efforts, as reported by staff writer Harley Potter and Post correspondents across the nation, may be tips for municipalities everywhere. Passenger car registrations in Canada are now getting close to 3 millions; by 1965 it's estimated they'll be 3.5 millions; by 1970 they will top 4 millions.

Edmonton

Traffic congestion has been giving city officials recurring "headaches" and various measures have been taken to ease the situation. Last spring, the penalties for vehicular violations were doubled, from $1 to $2, from $2 to $4, and from $5 to $10.

At one bridge, known as the Low Level, across the North Saskatchewan River, a complicated system of 105 traffic signal lights was installed recently. Four traffic routes converge at each end of the bridge which is a twin structure, one being used for northbound and the other for southbound traffic.

The city is carrying out a program of installing overhead traffic signals which it expects to extend ultimately to all intersections, in the interests of greater visibility.

Officials expect some relief this winter when a new $1 million Groat Ravine bridge is completed across the river in the west end. This will be the city's fifth major bridge and is expected to carry much of the through traffic, diverting it from downtown.

Under construction at Edmonton is a $500,000 underground parking garage which is expected to be completed by the end of this year. This will have space for 150 cars and is expected to provide badly needed relief. When the work on the underground is completed, the surface will be restored as a parking lot with space for about 85 cars. This underground garage is being built by a private concern, on a site leased from the city.

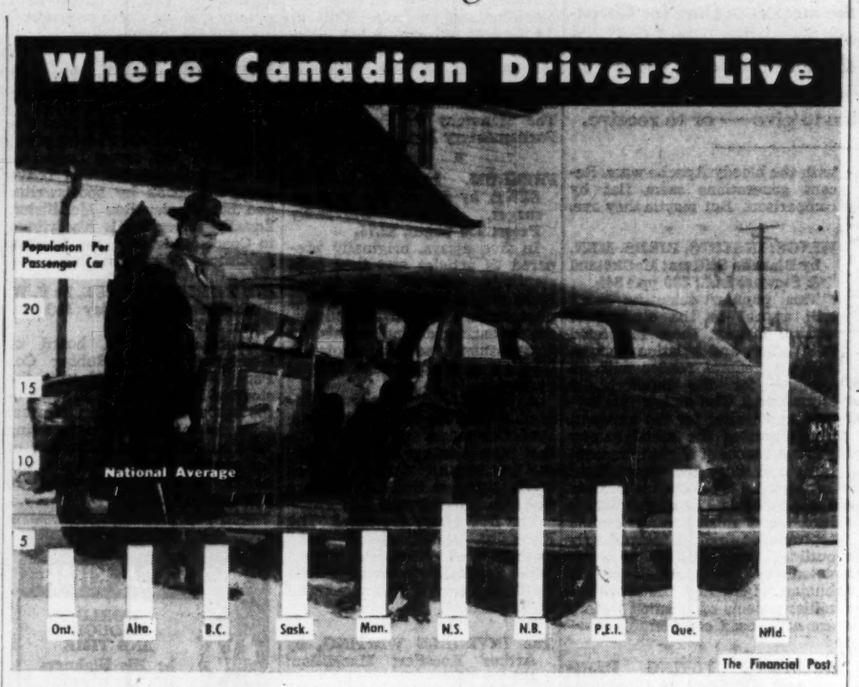
The city is supplying some free off-street parking. It has advanced funds to the South Side Business Men's Association for renovations and maintenance of a free parking lot.

Development of off-street parking facilities in 1953 cost the city about $75,000 of which $51,000 was for paving, installation of stalls and meters and about $24,000 for the purchase of meters.

Said to be first city in Canada to install parking meters, Edmonton is expected to take in $200,000 gross revenue from these coin-eating devices this year. Last year, the "take" was $178,000, of which the net profit of $62,000 went into the off-street parking fund. It is estimated that the fund will receive about $100,000 this year. Fines for over-parking do not go into the fund.

Edmonton is believed to have more parking meters than any other Canadian city. The latest official count showed 2,061 meters in operation while an additional 250 were to be installed this year. Fifty of the latter will be of the two-headed type, with one mechanism accommodating two cars.

Of those now in operation, 1,672 are "on street" meters while 389 are "off street" or parking lot meters. In 1953, the cost of maintenance and servicing the meters, including salaries, was $35,000. This year it probably will be close to $50,000.



Montreal

The forest of "No Parking" signs continues to grow in downtown Montreal, as the city's traffic congestion moves steadily toward drastic conditions.

A basic election plank of Jean Drapeau, Montreal's new mayor, was solution to the traffic problem. But so far, no concrete action has been indicated. If the proposed "solution" follows the trend of past projects, little more will be done than the establishment of a committee to study the city's traffic congestion.

Montreal was one of the first Canadian cities to utilize one-way streets as a partial answer to downtown traffic tie-ups. But they are mostly narrow, and despite the one-way flow, have now also become plugged with traffic. Parking meters were introduced this year on a limited scale, and while adding to city financial coffers and ruffling already strained motorist tempers, they have done little to affect the traffic problem.

The city does not now operate any parking lots; private lots are inadequate, overcrowded and expensive. H. K. Ferguson & Co. of Canada Ltd. recently proposed a $3.5 million underground parking lot for Dominion Square, at the city's centre, but no decision has yet been reached on this project. It's designed as a 1,000-car unit, with cost per parking space estimated at $2,500. The company was willing to finance the project, which would include replacement of shrubbery and monuments on Dominion Square following completion.

Montreal's traffic problems are complicated by its geography. The city is wedged between the St. Lawrence River and the sharply rising Mount Royal and Westmount Mountain. The steep roads mean serious winter holdups; the river interferes with traffic, because of inadequate bridge facilities. As presently envisaged, the new Seaway will worsen this situation, because the Victoria Bridge will probably become a lift bridge.

A novel traffic aid now being discussed is construction of a highway on top of the Seaway retaining walls, which will line the St. Lawrence in the Montreal area. These highways would be used to divert traffic from overcrowded bridges.

This suggestion roughly follows a long-delayed Montreal project which involves the building of an expressway along the waterfront. It's understood that plans and estimates for such a scheme have long been in the hands of city hall, but nothing has been done to date.

The Montreal Transportation claims its contribution to solving Montreal's traffic problem is the gradual replacement of its ancient street car fleet by buses. But many Montrealers claim the city's acute traffic problem can only be solved by a subway. Plans for a subway to ease the increasingly painful traffic headache have been issued every two years since 1940, by various Montreal authorities, who all agreed that a subway provided the only practical solution. None of the plans have resulted in a shovelfull of excavation work.

Montreal's population is being forecast to reach 2.2 millions by 1971. (It's now around 1.7 millions.) There are 13 private vehicles for every 100 Montrealers and 4,295 taxi cabs — the second highest ratio per population on the North American continent. Despite this heavy flow, the city's downtown traffic capacity has not been materially increased in the past 50 years.

The city's worst tieups will undoubtedly take place this winter. With the exception of Leningrad, in Russia, Montreal has a greater annual snowfall than any other city with over one million inhabitants.

Predict Relay TV For All Canada

MONTREAL (Staff)—Even the smallest rural Canadian community may someday have direct television reception.

This was forecast here last week by Maurice Ponte. His company — Compagnie General de Telegraphie — is currently experimenting with a similar setup in France.

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Radio relays are now in use in Canada, but these do not make available programs in their immediate vicinity, merely transmitting the narrow beam to the next station. France now has about 150,000 TV sets.

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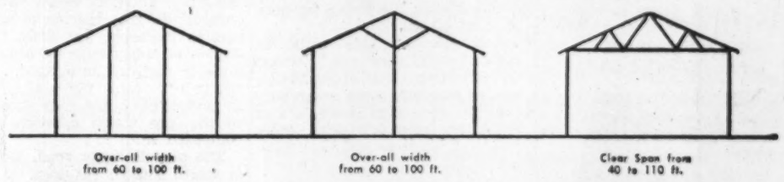

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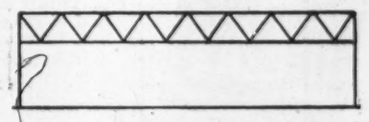

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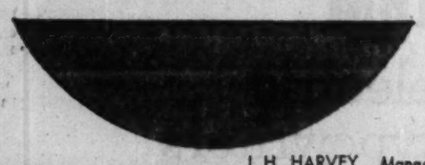

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Yule Books for Businessmen to Give—And Receive

Fussing over Christmas gift problems? Books may be a handy answer. There are a host of new ones — and old ones in new dress—on the market in time for Christmas sales and Christmas morning smiles, enough to suit all ages and all tastes. On this and following pages The Post presents short reviews of many of the new selections, books for businessmen to give — or to receive.

THE RELAXED SELL, By Thomas Whiteside; Oxford University Press, Toronto; 166 pages; $3.75.

Despite the title, this book is anything but "relaxed" from its opening pages. The reader is immediately plunged into a fascinating and sometimes fantastic world of big-time U. S. advertising.

Thomas Whiteside, born in Scotland, now a U. S. citizen and a writer for the New Yorker, tells his story with candor and humor, naming names and products and here and there offers an indictment of the frenzied fringe of the ad world. Taken as a whole, the book is a vitriolic comment on today's commercial culture in some quarters. In its separate parts, it's a revealing glimpse of individual sales pursuits that have to be read from start to finish at a sitting.

• • •

THE DRAMA OF ALBERT EINSTEIN, by Antonina Vallentin; Doubleday Publishers, Toronto; 301 pages; $4.50.

This book deals with a man who has had probably more significant effect on his generation than any other single human being. It's not a scientific treatise, but written, as a drama. It talks of here and now, the exciting events within the living memory of most of us.

And side by side with the events is the living man. You get an intimate portrait of the tussle-headed man who loves anonymity and has to accept fame, of his work, his contracts with other greats of his time and the meaning of it.

• • •

THE THIRD REVOLUTION, by Karl Stern; George J. McLeod Ltd., Toronto; 306 pages; $4.75.

In this book the author attempts to reconcile psychiatry and religion, to show that the basic concepts of psychoanalysis are not only compatible with the ethics of Christianity, but confirm them.

In the process, the reader gets an intimate close-up, almost case-history-style look into the psychiatrist's inner office. It's a thought-provoking book throughout, one which in its broad sense gets close to the concept that "knowledge is one" regardless of the topics or the times.

• • •

THE DARK IS LIGHT ENOUGH, by Christopher Fry; Oxford University Press, Toronto; 103 pages; $2.

This delightful, neatly-bound edition complete with choruses, is a Christmas must for the modern library. If a new play by Fry is a theatrical event, it is also an event in literature.

Spoken or read, Fry's language demands attention and is its own reward. Though billed as a comedy, the play reaches at times serious intensity, yet finds "the angles of experience where the dark is distilled into light . . . where our tragic fate finds itself in perfect pitch and goes straight to the key which creation was composed in."

The play is easily read. But it is worth several readings.

• • •

EUROPEAN UNION AND UNITED STATES FOREIGN POLICY, by F. S. C. Northrop; MacMillan Co. of Canada, Toronto; 210 pages plus bibliography and index; $4.75.

The author has taken for himself a tough assignment. Problems to European union are manifold; so are the problems toward and under the supranational law which must bring it about.

Mr. Northrop, a professor of philosophy and law at Yale University and a contributor to many journals, basis his argument in part on a new approach: the common menace of communism is not enough to bring about the union; also needed is a common culture.

In his 210 page discussion, the author offers a complete journey through modern and relative past European history.

• • •

THE BOOK OF THE SEA, edited by A. C. Spectorsky; Reginald Saunders; 757 pp.; $12.95.

Fiction and non-fiction, history and science are blended into this one volume, gathering together the best that has been written about the sea. There are stories and essays that tell of the sea's majestic beauty and wild anger. Beautiful format, line drawings and photographs help make this one of the finest books of recent years.

• • •

MY BROTHER'S KEEPER, by Marcia Davenport; Reginald Saunders; $4.95.

New York and the Europe of Vienna and Italy form the background for Miss Davenport's study of human values. It centres around two brothers found dying in squalor but with money in the bank; the story goes back into their history for a reason.

• • •

LAUNCELOT MY BROTHER, by Dorothy James Roberts; Reginald Saunders; $4.95.

Lovers of the historical novel will enjoy this tale of King Arthur, Guinevere and the Fellowship of Camelot, as told by Bors de Ganis, brother of Launcelot.

• • •

TO FAME UNKNOWN, by Clifford Lindsey Alderman; Reginald Saunders; $4.95.

The detailed historical accuracy of this novel cannot be guaranteed, but it will provide entertaining reading for all who enjoy stories of our early days. The central figure — Esek Warren — leaves his Boston home and joins the Colonial forces in Nova Scotia, fighting from the siege of Louisburg to the Plains of Abraham.

• • •

GLORY, GOD AND GOLD; Paul. I. Wellman; Mainstream of America series edited by Lewis Gannet; Doubleday; 387 pp.; $6.75.

Today the U. S. Southwest — which, oddly, doesn't include California—has a reputation for the spectacular. If anything, Wellman's fast-moving popular history shows it comes by its reputation honestly.

Almost every major incident of Southwestern history was flamboyant — the Spaniard Coronado in the 16th century trekking through the unknown country which is now New Mexico and Colorado; France's La Salle with his astounding plan for colonizing south Texas; the epic battle at the Alamo; Geronimo, the bandit Apache, breaking out of the reservation and terrorizing thousands of settlers and travelers; Billy the Kid's propensity for dealing out quick death.

Wellman is an acknowledged expert on the Southwest. His every chapter reflects his fascination with the Spanish and Indian eras.

Thus his descriptions of the first three centuries after the white men came, up to and including the decisive conflict between Texas and Mexico, drip with color and drama. Similarly with the bloody Apache wars. Recent generations seem flat by comparison. But maybe they are.

• • •

WINGS: INSECTS, BIRDS, MEN, by Blanche Stillson; McClelland & Stewart Ltd.; 299 pp.; $4.

This popular scientific work will appeal to the student of natural history, those interested in aviation and aviation history, and the general reader with an appetite for the intellectually stimulating. The author is a layman and writes for the amateur. She discusses the aerodynamics and mechanics of flight in insects, birds and man, and treats flight by man as a development from flight by birds. The ways in which bird flight misled early human aspirants to flight is interestingly outlined. More discussion is devoted to nonhuman than to human flight, and the more familiar aspects of aviation history are condensed considerably.

• • •

CANADA'S FLYING HERITAGE, by Frank H. Ellis; University of Toronto Press; 388 pp., illustrated, $7.95.

Frank Ellis recaptures the youth and spirit of adventure which made Canadians among the world's foremost aviation pioneers. The early days of flight in Canada—only a few years after Kitty Hawk—are held in print for the first time.

The forgotten designers, mechanics, bush pilots and daily newspaper heroes are placed in perspective for posterity. But the book is more, it is an accurate anthology of Canada's contribution to the development of flight.

Ellis corresponded with 6,000 persons, and consulted museums, archives and personal diaries to bring together the personalities and rare photographs, forgotten incidents and milestones included in the book. But the book would never have existed had it not been for the late T. M. (Pat) Reid, Imperial Oil Co., which donated a large part of the cost, and the University of Toronto Press which decided to overlook a large portion of the publishing expenses.

• • •

SAINTE-MARIE AMONG THE HURONS, by Wilfrid Jury and Elsie McLeod Jury; Oxford University Press, Toronto; 154 pp.; $3.50.

A husband and wife archaeological team recount how they added to Canadian history by their painstaking work at the site of Sainte-Marie-aux-Hurons, 17th century Jesuit mission on Georgian Bay. They also tell about the life and death of Sainte-Marie itself.

The Jesuits had built more extensively than anyone realized, they found. Their ingenious engineering included a canal with locks, built about the same time as the first such canal in France.

The expedition to Sainte-Marie, in 1948-51, was sponsored by the University of Western Ontario, where Wilfrid Jury is curator of the Museum of Indian Archaeology, and the Society of Jesus.

Twenty-seven pages of photographs, as well as drawings reconstructing the old mission.

• • •

GOVERNMENT AND PARLIAMENT, A Survey From The Inside, by Herbert Morrison; Oxford University Press, Toronto; pp. 363; $4.25.

Most books about how parliamentary democracy works are written by political scientists outside the field of practical politics. This book is by a former British Labor Party deputy prime minister, and wartime Coalition cabinet minister, and describes from first-hand participation and observation the operations of the British Government. Though it is not a party treatise, Morrison sets forth the relationships between ministers and socialized industries, his views on economic planning and controls. Most of the book is on matters not related to socialism, however: there are chapters on such topics as Cabinet Committees; Ministers and Parliamentary Secretaries; The Monarchy As Part of Our Parliamentary Democracy.

• • •

FREEDOM, LOYALTY, DISSENT, by Henry Steele Commager, Oxford University Press; 155 pages, $2.75.

In five essays, originally prepared as articles and then substantially enlarged, the author looks at such recent United States phenomena as the loyalty purges, the smearing of individuals by congressmen and the wholesale labeling of organizations as subversive.

A professor of history at Columbia University since 1938, Prof. Commager makes the point that no nation can survive without freedom and that those who try to suppress that freedom are the true subversives.

The five essays are titled "The Necessity of Freedom," "The Necessity of Experimentation," "Free Enterprise in Ideas," "Guilt By Association?", "Who Is Loyal To America?".

• • •

The INVISIBLE WRITING, by Arthur Koestler; MacMillan; 431 pp; $6.

Few present day writers have written so much, or so well, about themselves as has Arthur Koestler. This book is the fourth tracing his life up to the present time.

It takes up the story in Germany before the war when Koestler, a disgruntled young journalist joined the Communist Party. The book takes us with him on a phony fact-finding tour through Russia. We see, through his eyes, the disillusionment of Communism. Then comes a period of unhappy Party service in Paris, and finally imprisonment in Spain and the break with Communism.

Koestler is determined to show his innermost soul and to do it he spares neither the reader nor himself any details of his private life. But it is an important story and a strong warning to anyone attracted by Communist theories.

His picture of Europe held to ransom by two dictators—both equally evil—is worth remembering in these troubled times.

• • •

SWIM TO GLORY, by Ron McAllister; McClelland & Stewart Ltd.; 128 p.; $2.50.

Youngsters of all ages who followed the dramatic 30-hour swim of Marilyn Bell across Lake Ontario last September will relive it in this book by sportswriter and broadcaster Ron McAllister. Equally important is his tribute to Coach Ryder and the Toronto Lakeshore Swimming Club.

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INDUSTRIAL VOYAGE, by P. W. Litchfield; Doubleday Publishers; 347 p.; $5.

Chairman of the board of Goodyear Tire & Rubber Co., Paul Weeks Litchfield tells the story of his more than 50 years in the rubber business in an informal style which makes interesting reading. It is the story, too, of the growth of a business giant, and its success and troubles in peace and war.

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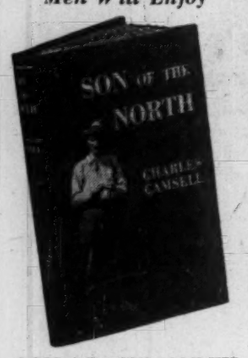

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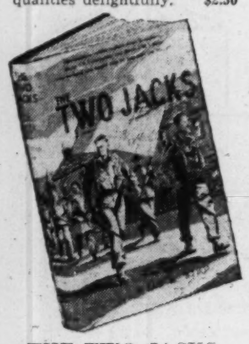

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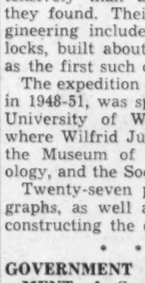

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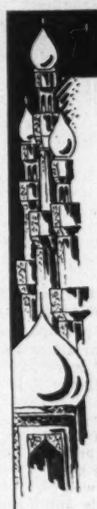

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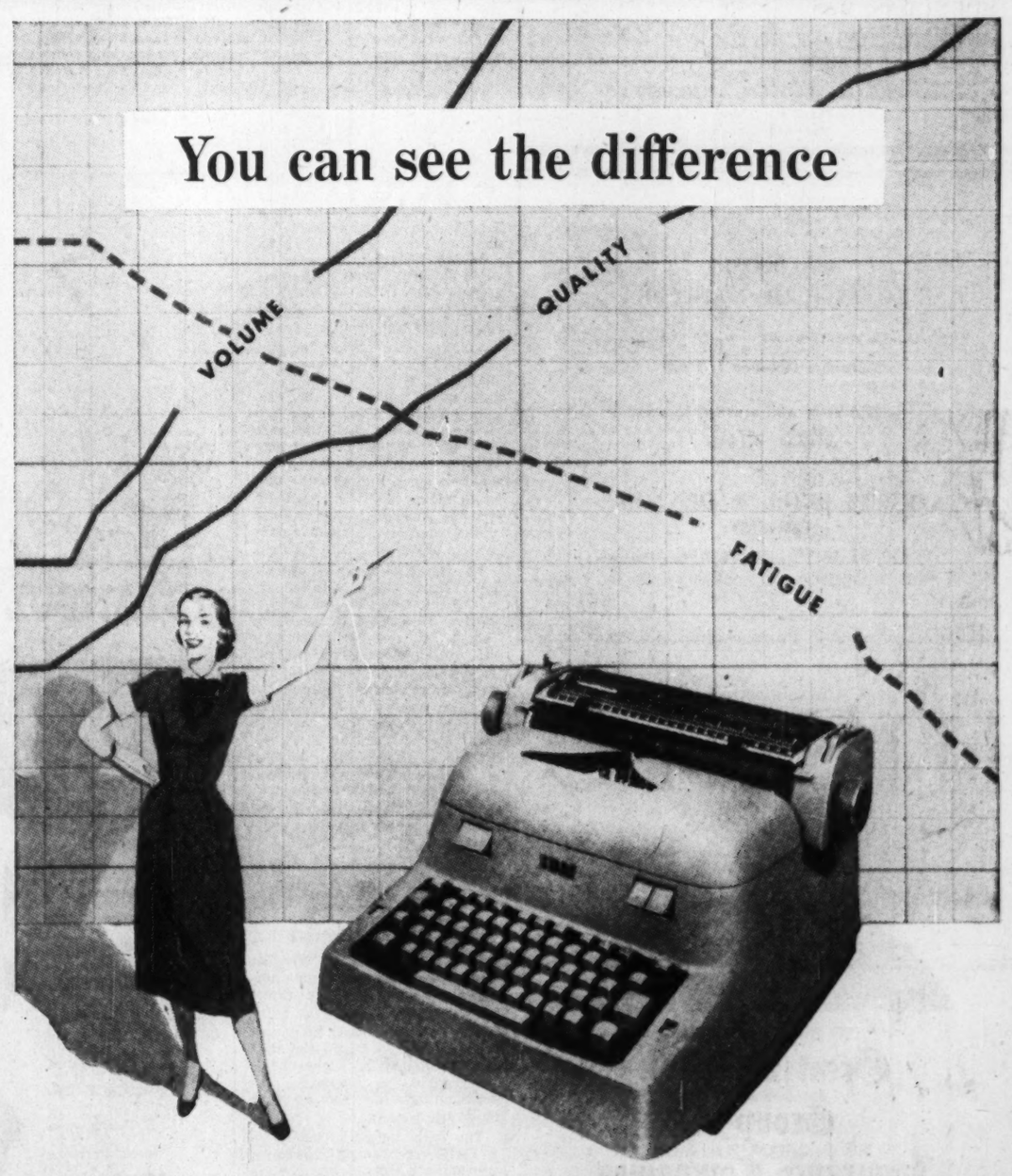

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THE STORY OF MAN, By Carleton S. Coon; McClelland & Stewart; 437 p.; $7.50.

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THIS AGE OF CONQUEST, revised edition; W. J. Gage & Co.; 932 p. and appendices; $6.25.

The serious student of world history will find this revised edition a useful reference. The editors are Frank P. Chambers, London School of Economics; Christina Phelps Harris, Stanford University, and Charles C. Bayley, McGill. It covers the period from the start of World War One in 1914 to 1949's cold war.

• • •

INSPECTOR MAIGRET AND THE KILLERS; Georges Simenon (trans. from the French by Louise Varese); Doubleday; 187 pp. $3.

Maigret is one of the world's more believable detectives. He gets himself entangled with an odd assortment of characters at times; Luigi, proprietor of the Manhattan bar, Adrienne, a nude from the Folies Bergere, not to mention "les gangsters"—three Americans in Paris who most certainly aren't there to look at the Eiffel Tower, unless it's to figure out a way of stealing it.

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PATRICK CAMPBELL'S OMNIBUS; Clarke, Irwin & Co., 352 pp. $2.65.

Mr. Campbell has for many years delighted Britons with his weekly column in The Sunday Dispatch. His is a type of humor, happily, that is not confined. They laugh at Campbell in Fiji. And Ronald Searle's spidery drawings are the perfect medium of illustration for the author's Irish wit.

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In his foreword, H. E. Bates says that Patrick Campbell makes him laugh wellnigh continuously. He's not alone in that.

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THE OLD SCHOOL TIE by Arthur Tuckerman; The Macmillan Co.; 240 pp. $3.50.

Whatever you think about the English public school system, there's one thing certain—to an American boy there couldn't possibly be anything good in it. So it appeared to young Arthur Tuckerman, when his father announced that day in Washington that he was going to Cheltenham College, England.

This book is the personal story of the early Tuckerman, transplanted Tuckerman, written in the lightest of veins, yet with an underlying discernment that belies the language and the situations. It is a memoir of the most delightful type.

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OXFORD ECONOMIC ATLAS OF THE WORLD; Oxford University Press; 152 pp., $6.

The businessman or student of trade who thinks of world commerce with imagination will find this atlas more than a reference work. Some readers may find it an enjoyable evening's reading.

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THIRTY AND THREE, by Hugh MacLennan; Macmillan Co. of Canada, 261 pp., $3.75.

Hugh MacLennan looks at life from his self-admitted pedestal of middle age. Most readers will enjoy what he sees.

This is a collection of his ventures into nonfiction, essays written for various magazines over the last three years. He examines Canadians and Canadiens, youth, war, laughter. But Essayist MacLennan is at his best when he peers somewhat sentimentally at his native Nova Scotia and his adopted Montreal.

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THE TEMPLE TIGER, and Other Man Eaters of Kumaon, by Jim Corbett; Oxford University Press; 197 pp., $2.50.

Here is another book of tales from the Himalayan foothills, of tigers that hunt men and, in turn, are hunted by Col. Corbett. You'll feel the heat, hear every sound, find your heart pounding at his adventures in the Indian forests.

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LORD M or The Later Life of Lord Melbourne by David Cecil; Longmans, Green & Co.; 348 pp. $4.25.

A delightful yet penetrating insight into the life and personality of Melbourne as he played his great role in the social and political scene of 19th century England.

In this his second biography on Melbourne, the author shows his charming character introducing the young Queen Victoria to public life.

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CONFESSIONS OF A SCOUNDREL; By Guido Orlando as told to Sam Merwin; John C. Winston Co.; 275 pp., 34 photographs; $3.95.

Few public relations men have the opportunity to turn their talents upon themselves. Guido Orlando, in a witty and lively recital of his efforts to headline famous and notorious personalities, ends up as the most intriguing of them all.

The anecdotes he tells through the sympathetic pen of Sam Merwin are revealing and an object lesson to contemporaries with an equally easy conscience. His campaign against King Farouk, his activities in the 1948 Italian elections against the Communists, his work for Zsa Zsa Gabor, Elizabeth Taylor, Frank Sinatra, his brief excursion into U. S. politics—these are stories that made the front pages though his name seldom appeared in them.

Some of the schemes verged on the unscrupulous but was he a scoundrel? The reader must decide.

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THE LIVING EARTH, By Sheila Mackay Russell, Longmans, Green & Co., 317 pp.; $3.50.

History with a dash of adventure and romance to flavor is always acceptable. This tale of the descent of two young city women —a nurse and a teacher—on a backwoods Canadian community has all three ingredients.

The fictional Mud Creek of the book could be any one of scores of northern settlements where 20th century pioneers are doggedly battling to establish their communities against the problems of rigorous winters and isolation.

Sheila Mackay Russell knows her Canada well and her characters may be fictional but in their determination, warm-heartedness and imagination they are true to present-day people.

• • •

AN ALMANAC OF LIBERTY, by William O. Douglas, Doubleday Publishers; 409 pp., $6.

A series of essays on the landmarks in the United States' struggle for freedom often connected by progressive steps in history. The author, an associate justice of the U. S. Supreme Court since 1939 with the reputation as a liberal jurist, traces the movements toward political, social, religious and legal liberty to their sources.

There is discussion of the significance of such matters as the influence of the Stamp Act on press censorship, Lincoln's stand on the ethics of slavery, and the more recent Supreme Court decision on segregation in public schools. Many complicated legal decisions are translated into understandable language and their importance in history is discussed.

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REUNION, by Merle Miller; Macmillan Co. of Canada; 345 pp.; $4.50.

A commendable piece of fiction that will hold attention through at least a couple of long winter evenings. With a variety of good characterizations and incident, the story covers the movements through a single day of a group of veterans—and their women—getting together for a reunion eight years after.

There is a thread of suspense throughout the book that, though occasionally eclipsed by other action, is just strong enough to hold the whole together. The publishers have anticipated one difficulty in printing a "who's who" of characters at the beginning; it becomes a handy guide as the author moves the spotlight from one to another through following chapters.

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THAT REMINDS ME—; Alben W. Barkley; Doubleday & Co. Inc., Garden City, N.Y.; 279 pp.

U. S. vice-presidents are traditionally selected purely for their vote-getting capacities. On the count of being an expert in winning votes, Barkley can plead guilty. He won sufficient this year to go back to Congress, where he distinguished himself over a period of decades.

But—like many another V.P. of this century—Barkley proved an extremely useful assistant to the president. The veteran Kentucky story-teller was vice-president in 1949-52. His boss: Harry Truman.

As an expert politician and an able member of the Democratic party, Barkley knows the highways and byways of U. S. politics. For someone who doesn't, this book is a painless and quip-filled education.

THIRTY YEARS, by John P. Marquand; Little, Brown & Co.; 466 pp.; $5.75.

Devotees of Marquand—and all who enjoy a well-told short story —will appreciate this collection of more than 20 items. They are Marquand's own selection from writings over 30 years which have not been published in book form before—essays and stories of the sea and sport, of war and people.

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JONATHAN BLAIR, by William Donohue Ellis; Nelson, Foster & Scott; 464 pp.; $5.95.

The author of The Bounty Lands has turned out another excellent historical novel of the U. S. frontier in the early 1800s, when private banks and governments fought over the right to issue "paper money."

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THE LAUGHTON STORY, by Kurt Singer; John C. Winston Co.; 308 pp. $4.50.

Today Charles Laughton is known the world over. Through movie performances his name has become a household word in every language. Now he has emerged as one of the most skilful and original stage directors in the United States.

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Best Sellers

Here are the current "best-sellers" as listed in the New York Times Book Review:

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Love Is Eternal. Stone
Katherine. Seton
The View From Pompey's Head. Basso
Mary Anne. du Maurier
Not as a Stranger. Thompson
Soldier of Fortune. Gann
No Time for Sergeants. Hyman
My Brother's Keeper. Davenport
The Royal Box. Keyes
Sweet Thursday. Steinbeck
Reunion. Miller
Blue Hurricane. Mason
A Fable. Faulkner
The Fall of a Titan. Gouzenko
Never Victorious, Never Defeated. Caldwell
The Dollmaker. Arnow

GENERAL

The Power of Positive Thinking. Peale
Abraham Lincoln. Sandburg
I'll Cry Tomorrow. Roth, Connolly, Frank
Call to Greatness. Stevenson
The Tumult and the Shouting. Rice
TNT: The Power Within You. Bristol
R.S.V.P. Elsa Maxwell's Own Story
A Child of the Century. Hecht
Melbourne. Cecil
The Saturday Evening Post Treasury. Butterfield
MacArthur — 1941-1951. Willoughby and Chamberlain
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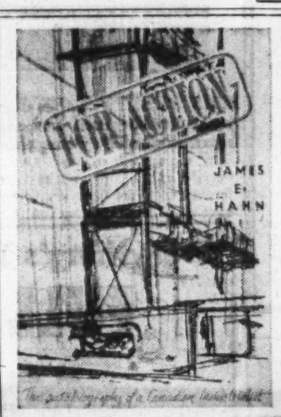

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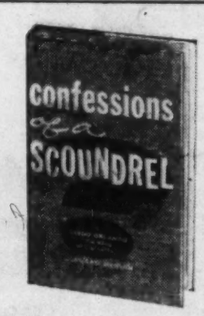

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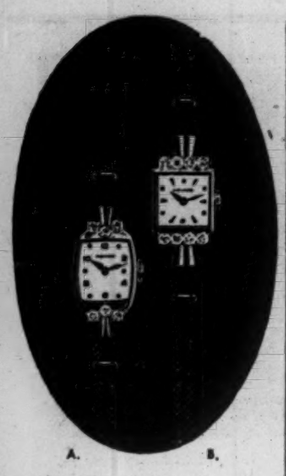

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Maple Leaf 1st Qtr. Results 'Satisfactory'

Results of Maple Leaf Milling Co. for the first three months of the fiscal year are reasonabl, satisfactory in spite of competitive conditions, President K. F. Wadsworth told shareholders at the annual meeting recently.

He reported on company's progress in the cake-mix field and the effect of the entry into the Canadian field of the two largest U. S. milling companies. By increased advertising sales promotion programs, the company hoped to continue to get a fair share of the domestic market.

It's Good Time To Graduate

Here Are The Professions Industry Wants Most

Will Industry Need You?

This is a good time to be entering one of the professions in Canada. There's a demand for professional men in almost every field of industry.

So says the survey of Industrial Requirements for Professional Personnel 1952-1956, produced by the Department of Labor in cooperation with the Executive and Professional Division of the National Employment Service and the Unemployment Insurance Commission.

A total of 774 employers, employing 22% of the non-agricultural paid workers in Canada, were sent questionnaires asking their estimated future requirements. Seventeen thousand professional men work for them.

Engineers head the "wanted" field. Mechanical and electrical engineers are in the highest demand. In the arts and science fields, chemists and commerce and business administration graduates are the most sought after.

Why the shortage?

Most of the firms said there were still too few trained men. The universities were slowly catching up with the nation's demand for graduates, but they still have some way to go. This factor is expected to become less and less important in the future as supply meets demand more or less on an equal footing.

Other reasons given were that some of the available professional men were not qualified for the jobs offered them, and others — though good enough — wanted more pay than their would-be employers thought they were worth.

A small number of the firms — about 3%—said they were preparing for a drop in business and had, in fact, already experienced a decrease during 1952 and 1953. The report points out that only a very few firms were affected and generally they were small — employing 50 or less. Any men put out of work by these trends would have no difficulty in finding new jobs in the next few years.

The report emphasizes that it deals with the demands of private industry and not government or institutional agencies.

On the whole, it is Canada's expansion that is creating the new jobs. Asked what was the main cause of the new jobs becoming available to professionals, most of the firms replied that they were expanding and needed more staff. Other reasons listed were the expansion of research activities and defense orders.

Some firms took the view that technological innovations had gone far enough for the time being and there was less immediate need for highly trained researchers.

So with few exceptions it remains the same story: employers competing for available trained men. They found it difficult to get enough men or women in any profession.

The chemical and petroleum products industries had the hardest time filling their ranks and had to turn away a number of professional men who applied for jobs. The reason for this, the report explains, is that further specialized training is necessary in the work, and facilities available for such training are limited.

A brief analysis of the outlook by professions shows:

Chemical Eng., Chemistry

There are between 3,000 and 4,000 chemical engineers and between 5,000 and 6,000 chemists employed in Canada. Every branch of industry reported a demand for more. A steady increase in jobs can be expected in the years to come.

Companies working mines, oil wells and quarries expect to increase their professional staffs on an average 20% each year until 1956.

Civil Eng.

There are between 8,000 and 9,000 civil engineers working now. The demand for these men is less great than for other branches of engineering. The report says that there should be an average increase of about 4% while other engineers can expect around 7½%.

This is explained again by supply and demand. There has been no great shortage of trained civil engineers and so no backlogs have built up to be filled later. New staff taken on here represents new jobs created.

But despite this reduced demand there are still jobs vacant for any civil engineers who want them.

Electrical Eng.

There are between 6,500 and 7,500 in the country. They are still in great demand and can expect an average annual 8% increase in jobs available.

Because of the difficulties in predicting future requirements in the electrical apparatus industries some of them have made conservative estimates of staff requirements for 1956. If, of course, new business comes their way the demand will be stepped up again.

Geology, Geol. Eng.

There are nearly 2,000 geologists and geological engineers in the country now — and their immediate future is enviable.

With Canada's vast mineral resources opening up, companies are desperate for trained men. The result is an estimated 26.1% increase in geological posts during 1954. This increase will trail off next year but the demand still rides far higher than the available supply.

Mechanical Eng.

Between 7,000 and 8,000 mechanical engineers are employed in Canada. They too can look forward to the next few years with an average increase of 9% in jobs available.

Architecture

There are only about 2,000 architects employed by industry in Canada. The reason for this low figure, the report says, is that the vast majority of architectural graduates are self-employed or employed by institutions which do not come within the scope of the survey.

But for the ones who chose industrial work there will be a steady increase of nearly 6%.

Agriculture

There are estimated to be between 6,000 and 7,000 graduates in agriculture employed in Canada. The report does not cover them well, in fact it only deals with 281 of them. The reason is the large number employed in government service.

Of those in industry new jobs will be available at a gradually increasing rate — which is the reverse of most other professions.

Biology

Between 1,000 and 1,500 graduates in biology are employed in Canada. Because of the large number employed outside industry, only 68 are included in the survey.

For those the expected increase averages over 4% annually.

Commerce, Business Admin.

There are between 9,000 and 11,000 commerce graduates in Canada. They have a good prospect despite their relatively large numbers. An average 11% increase in jobs is expected.

Chartered Accountancy

There are between 5,500 and 6,500 chartered accountants in the country. They can look forward to a steady increase in available jobs in industry rising from 2.8% in 1954 to 4% in 1956.

It is interesting that no firm reported difficulty in filling vacancies in this profession.

Forestry

There are between 2,000 and 2,500 foresters and forestry engineers in the country. By far the greatest number of them employed in industry are in the pulp and paper producers. They can expect a steady 3% average increase.

Mathematics

Between 800 and 1,200 mathematics graduates are working. They find most of their jobs in finance, insurance and real estate work. They can expect over an 8% average annual increase in jobs.

Physics

There are between 2,000 and 3,000 of these graduates. They can expect about the same increases in industrial jobs as mathematicians.

Law

There are nearly 11,000 lawyers in the country but only a relatively small proportion are in industry. Those that are can expect an average 4% increase in jobs available.

And so the report goes. A steady increase here, a less steady one there. But through it all, through its columns of figures, comes yet another sign of Canada's prosperity.

The professional men — the "brains" of industry—are in high demand. It's a fine time to be leaving college.

FORECAST OF ANNUAL INCREASE IN DEMAND FOR PROFESSIONALS

	End 1954	1955	1956
	% of Number Employed Jan. 1, 1954		
Civil Engineers	4	6	3½
Geological Engineers	9	9½	6
Mechanical Engineers	12½	8½	7
Metallurgical Engineers	9	5½	7½
Chemical Engineers	8	9	7½
Electrical Engineers	9½	7	7½
Mining Engineers	8	8½	7½
Architects	7½	4½	4
Biology	3	5½	2½
Agriculture	3½	6½	6
Forestry	6	2½	2
Mathematics	9	6	8
Physics	8	9	8½
Chemistry	9	7	8
Commerce	10½	12	10
Geology	26	9	9½

Toronto Gas Men Go Back to School

Manufacturers of heating equipment in the Toronto area are going back to school to learn about natural gas.

The "classes" are being held by Minneapolis-Honeywell Regulator Co. at the War Amputations Building, 62 Wellesley St. W.

When it was first decided to explain the workings of natural gas to the trade—and the workings of Minneapolis-Honeywell regulating equipment in particular—invitations were sent out to the whole heating industry. The organizers, expecting a limited response, planned two evening meetings. Response, however, has necessitated extra meetings.

Theme is "Here is natural gas, and this is how to use it."

At each meeting Walter R. Austin, for Consumers' Gas Co. of Toronto, tells the story of natural gas, what it is, what it can do. He also deals with regulations that cover installation of natural gas appliances.

Jame A. Macrae, chief field engineer for Minneapolis-Honeywell, talks about the technique of using natural gas, based on experience already gained in the West.

The "students" get a look at regulating equipment on display in the building.

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CORPORATE CONSTRUCTION NEWS

re: BYRON JACKSON OF CANADA LIMITED

Byron Jackson of Canada Limited, a subsidiary of Byron Jackson Co. U.S.A., began manufacture in Canada in 1952. The firm produces a complete line of centrifugal pumps for industrial, municipal and agricultural applications.

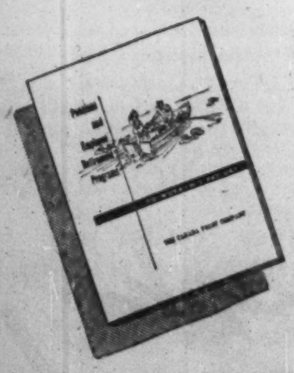
OILBURNER: One AR 134 "RAY" fully automatic, burning medium oil and developing 110 boiler horsepower.

ARCHITECT: A. G. Facey
CONSULTING ENGINEER for the project: Edgar A. Cross
CONSULTING ENGINEERS (Oilburners): H. H. Angus & Associates Ltd.
GENERAL CONTRACTORS: Bradford-Hoshal Ltd.
HEATING CONTRACTORS: D. M. Smith Plumbing & Heating Contractors Ltd.

RAY OILBURNERS by MARTIN BROTHERS

2709 YONGE ST. TORONTO 12, MA. 0733

Which is the "BEST" Pension Plan for our Company?



This and many other pertinent questions are discussed in our booklet "Pensions and Employee Retirement Programs—To-morrow's Pay Day". It outlines various types of pension plans, suggests the type of questions management must ask before committing itself to any plan and explains the operation of a Trusteed Pension Plan.

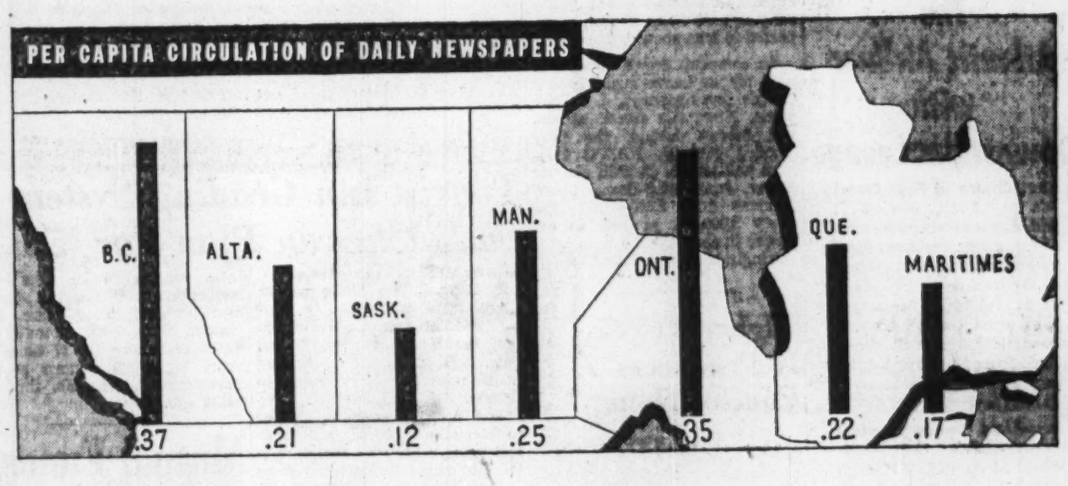
Here is a booklet that will help any employer who is considering the adoption of an Employee Retirement Program. We will be pleased to mail a copy to you upon request. Simply phone or write our nearest office.

THE CANADA TRUST COMPANY

CALGARY CHATHAM EDMONTON GUELPH HAMILTON LONDON MONTREAL REGINA TORONTO ST. CATHARINES ST. THOMAS VANCOUVER VICTORIA WINDSOR WINNIPEG

P2-54

B.C. reads more daily newspapers



In Canada, the Daily Newspaper reaches its pinnacle of power and influence in British Columbia, where a total of 436,000 issues are read every day in an area comprising 365,000 household units (D.B.S. estimate, 1953.)

Daily Newspapers literally saturate British Columbia, covering every city, town and village in the province.

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Montreal • Toronto
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DEBENTURES FOR SALE

The Corporation of The Township of Nepean

Tenders marked "Tender for Debentures" will be received up to 5 p.m., Thursday, December 9th, 1954, for the purchase of the following debentures to be issued for additions to Public Schools.

By-Law 20-54—$146,500.00 dated Oct 1st, 1954, 1-20 yr., 1955-1974, 4½%, Annual Coupon.

By-Law 23-54—$33,500.00 dated Nov. 1st, 1954, 1-20 yr., 1955-1974, 4¼%, Annual Coupon.

Final maturities each issue are callable. Validation Certificate of the Ontario Municipal Board imprinted on debentures.

Tenders to be for total of two By-Laws with funds payable at par, Ottawa, Ontario.

Further particulars available from the undersigned. No tender necessarily accepted.

ANDREW G. McLEAN,
Clerk-Treasurer.

343 Richmond Road,
Ottawa 3, Ontario.

Offer Grant To Unite Nfld. Towns

From Our Own Correspondent

ST. JOHN'S — Four separate town councils which govern a municipal area called "Newfoundland's second capital" are considering tempting bait to amalgamate into one big unit.

Today, the Corner Brook industrial area is comprised of four independent units: Corner Brook, Corner Brook West, Corner Brook East and Curling. Their combined population: 16,650.

As an industrial centre (Bowaters' pulp and paper mill, Atlantic Gypsum, North Star Cement), the area has suffered by its four-way split in government.

To hurry along amalgamation, Premier Smallwood has promised a $50,000 annual grant the moment they get together. Bowaters itself has offered a flat $100,000 grant.

Premier Pays Visit

While waiting for an answer from the four councils, Premier Smallwood visited the Corner Brook area.

The road running through Corner Brook from Humbermouth to Curling has been a victim of progress. As the town mushroomed, the road had to be torn up for such projects as a $4 million water system.

Eventually, it became a muddy, pot-holed mess. For two years, the criticism mounted. The other day, Premier Smallwood went out himself to see what could be done.

It seems likely work will start immediately on making it a good permanent highway.

While visiting Corner Brook, the Premier also announced that a bond issue of $800,000 would be floated for a regional amalgamated high school and a $300,000 bond issue floated for a Roman Catholic regional high school for girls.

Minto Coal Unit On Longest 'Walk'

From Our Own Correspondent

FREDERICTON — New Brunswick Electric Power Commission linemen and A. W. Wasson Ltd. crews teamed up to carry out the longest "walk" yet undertaken by a Minto coal field walking drag line.

Moving the 350-ton electrically operated drag line six and one half miles from its recently completed Rothwell stripping operation was prompted by the company's discovery of a new coal seam between the CPR's Midland Station and Vance Brook, Queens County.

Transfer of the drag line through settled sections of Rothwell and Newcastle Creek and across hilly wooded country to the new stripping operation, where the company has blocked out 250,000 tons of coal at depths ranging from 30 to 50 feet, is expected to take about two weeks.

As company crews bulldoze a path for the heavy machine as it crosses two highways, a railway track, Newcastle Creek stream and moves through the hilly wooded country, NBEPC linemen will supply it with electric power from step-down transformers and 2,300-volt cable every 2,000 ft. as well as cut power lines to permit it to cross the highways and railway line.

Higher Prices If Producers Control Honey?

The Canadian beekeeping business is buzzing with talk of interprovincial marketing controls exercised by producers' boards and co-operatives.

Current report: Producers' marketing boards in Manitoba and Saskatchewan are ready to get together with Alberta producing and sales organizations to control marketing in the three Prairie Provinces.

Although the prime aim is market and price stability, there could be another effect important to consumers of honey: higher prices.

For instance, the Saskatchewan producers' board found in its early days that it could not effectively set price to producers because retailers retaliated by bringing in lower-priced Manitoba honey.

Elimination of this competitive angle is one aim of interprovincial co-operation. Another is reduction of overhead by merging producer organizations.

Safeguard against undue price manipulation by producers is contained in provincial power to supervise producer marketing boards. The effectiveness of provincial control hasn't been fully tested yet.

Although honey is a small item, dollar-wise, some producer groups currently are considering long-range plans for producer control of livestock marketings, something which looms large in Canadian economic life. Any interprovincial marketing plan would operate on principles similar to those envisioned for honey.

ANNOUNCEMENT

Alloy Metal Sales Limited Announce New Appointments

William D. Dobbin | J. Bruce Barron | John G. Pinto | Howard S. Smith | Fred S. Bull | Howard G. Belfry

J. G. Near, president and A. H. Galley, vice president of Alloy Metal Sales Limited, distributors of Inco Nickel Products, stainless steels and aluminum, announce a series of executive appointments necessitated by growth of the company: William D. Dobbin as sales manager; J. Bruce Barron as manager of Inco products sales; John G. Pinto as manager, aluminum sales and Howard S. Smith as manager of stainless steel sales. F. S. Bull manages the company's Winnipeg Sales and warehousing operations. Howard G. Belfry has been appointed Treasurer and also continues as office manager.

Christmas Tree Hits Big-Time

More Than Tinsel In This $10 Million Glitter

MONTREAL (Staff) — Santa Claus is still working overtime preparing for his annual trip south, but for Canadian Christmas tree growers the merry Yuletide is just about over.

The pines-and-needles cultivators report an unprecedented sales bonanza. Supplying Santa's foliage has become a $10 million business—most of it "extra" cash for farmers at a time of year when there are few alternate sources of income.

Price quotations from U. S. buyers have been a shade higher than last year, with producers of balsam fir getting about 42½c a tree. Scotch pine, artificially cultivated in Ontario, is up considerably at $2.40 per six-ft. tree.

New Brunswick still leads Canada as a producing area, with a cut of five million trees worth over $3 millions. Another two million trees are being harvested in both Quebec and Nova Scotia, with Ontario and British Columbia accounting for about eight million trees between them.

Cutting has now been completed in most locations. Domestic distribution, as well as export shipments to the U. S., are well under way. This year, for the first time, Cuba is importing Canadian Christmas trees—largely from New Brunswick.

U. S. Buys 70%

While Canada's 3.5 million families mean a solid domestic market for the tree-growers, an estimated seven out of every 10 Canadian trees cut end up in U. S. living rooms. Canada now supplies about a quarter of U. S. Christmas tree consumption, with sales this year predicted at 10 million trees, worth more than $6 millions.

But there's an increasingly important difference between the industry here and south of the border. Some 74% of the American annual tree crop of 30 millions is cultivated, Canada still cuts over 60% of her supplies from wild forests.

Christmas tree cultivation is a year-round job, beginning with spring planting, summer prunning and fertilizing. Hazards of fire, insects and disease are considerable, but the crop fits in well with land utilization plans and for the conservation of soil moisture. On a rotating crop basis, yield compares favorably with harvests of buckwheat, though there are no cash returns for at least six years. Yield can reach $1,000 for every $25 invested.

Harvesting starts in October. It's a tricky operation and has to be well co-ordinated in advance, because trees begin losing moisture as soon as they're cut, and that means falling needles, discoloration and lower prices. Christmas trees are gaining in popularity with Canadian farmers, because they bring in welcome cash, just before the holiday season.

Scotch Pine Gaining

While many species of trees are sold as Yuletide decorations, Scotch pine has been making important gains as the plant, according to experts, will someday account for 75% of all Christmas trees sold in North America. Most Scotch pines are grown in Ontario, around the Uxbridge area. About two million will be sent south this year, but by 1964 it's estimated that Scotch pine will be a $20 million a year export business out of Ontario alone.

The Scotch pine has some impressive advantages over other species: longer retention of needles, more symmetrical and pyramidical shape, stronger limbs and pleasant fragrance. For the farmer, the Scotch pines also offer the benefits of growing two years faster than spruce or balsam and retaining needles longer after cutting. Most important of all, Scotch pine has few alternate uses, while most other varieties now cut as Christmas trees could be used by the pulp and paper industries if left to mature.

West Coast Christmas tree centre is Kamloops, B.C., while much of the Maritimes trade moves through Moncton and Fredericton.

Budworm Hits N. B.

New Brunswick supply of balsam firs is down considerably this year, largely because of budworm infection in the best producing areas on the banks of the Miramichi and up the Gulf coast to the Restigouche. The province's Christmas tree harvest has grown from one million trees in 1941 to over three million this year. Provincial forestry officials are now planning the setting up of commercial Scotch pine plantations in New Brunswick. So far, nearly 90% of the region's harvest has consisted of unplanned cutting.

Some 50 U. S. buyers of Maritime trees met in Fredericton this fall to discuss means of developing the neglected industry. They want the province to set up an export grading program and a long-term conservation scheme. It was also felt that a $1 export license levied on buyers would help regulate the industry.

Most Canadian trees are cut by crews supplied by the itinerant buyers, with payment to farmers based on stumpage. Cutting on Crown lands is prohibited.

Tourist Inn Grading System Saskatchewan Plan For '55

From Our Own Correspondent

REGINA — The Saskatchewan Government will probably start a system of tourist accommodation grading next year, it was announced at the annual meeting of the tourist advisory council in Regina.

The proposed system, similar to Manitoba's—would use standard signs posted at motels and tourist camps designating them as one to five star accommodation.

The provincial tourist branch is prepared to put the system into effect for the Saskatchewan golden jubilee year in 1955, if final government approval is given.

The present plan excludes hotels which government officials feel are now adequately inspected, but these could be brought in later.

Grading authority would be the tourist branch but the public health department would continue to be responsible for sanitary standards.

A resolution was approved by the council calling for a Dominion-provincial conference to consider federal aid to highways other than the Trans-Canada.

Highways Minister J. T. Douglas told the gathering that Alberta and Saskatchewan are the only provinces with a chance of finishing their parts of the Trans-Canada route by the expiry of the present deadline in 1956.

Seventy-six per cent of the grading for the Saskatchewan Trans-Canada highway section has now been completed, 59% of the base course is done and 50% of the route has been hard-topped to Trans-Canada standards.

E. L. Paynter, the province's game commissioner, appealed to the tourist industry to stop "playing up game as a Saskatchewan tourist attraction."

Although the province had plenty of game, he said, hunting by Saskatchewan residents had grown so fast that there might be little surplus to be taken by residents of other areas. Game bird licenses, in 10 years, had jumped from 7,000 annually to 60,000 and there are 17 times as many big game hunters among Saskatchewan residents than 10 years ago.

Mutual Funds Started By B.C. Firm

Two new Canadian mutual investment funds have been set up and are being offered by Pemberton Securities Ltd., Vancouver.

The funds—All-Canadian Dividend Fund and All-Canadian Compound Fund—will be managed by Capital Management Corp. They have identical underlying investments, but the first pays quarterly dividends, the second doesn't.

The latter is designed for investors more interested in building an estate rather than in immediate income, the firm states. The fund's income will be reinvested rather than paid out.

Securities underlying the shares of the two funds, as of November, 1954, were:

Abitibi Power & Paper
Aluminium
Anglo-Newfoundland
B.A. Oil
B. C. Forest Products
C.P.R.
Dominion Tar & Chemical
Famous Players
Great Lakes Paper
Hudson Bay M. & S.
Imperial Oil
International Nickel
International Utilities
Interprovincial Pipe Line
MacMillan & Bloedel
Massey-Harris-Ferguson
McColl-Frontenac
McIntyre Porcupine
Noranda
Powell River

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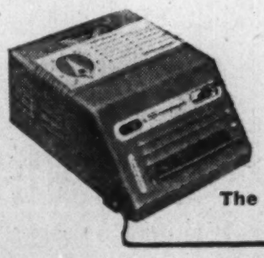

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ANNOUNCEMENT

(Portrait by Nakash)

Samuel Bronfman, President, Distillers Corporation-Seagrams Limited, announces the appointment of M. M. Schneckenburger of Montreal as Vice-President of Joseph E. Seagram and Sons, Limited. Mr. Schneckenburger directs the company's advertising and public relations for Canada and all world markets, with the exception of the United States.

A graduate of the University of Rochester, Mr. Schneckenburger spent several years in advertising in the United States before joining the House of Seagram in 1942 as Sales Promotion Manager. In 1946 he was appointed Director of Advertising and Sales Promotion for all Canadian subsidiaries of Distillers Corporation-Seagrams Limited. He is Executive Vice-President, Association of Canadian Advertisers, and a Member of the International Service Committee, International Advertising Association, New York.

The Books in Santa's Pack

I MARRIED THE KLONDIKE, by Laura Beatrice Berton, Little, Brown & Co., 269 pp., $4.50.

A kindergarten teacher from Toronto, Mrs. Berton accepted a teaching job in Dawson City in 1907, married there, raised a family and stayed 25 years.

Dawson was shrinking fast from the Klondike boom days when she arrived, but it was still very much a pioneer town and one of striking contrasts. Mrs. Berton gives us a vivid picture of an era we will not see again. There are some interesting photographs and a preface by Robert W. Service.

* * *

GHOST ON HORSEBACK, by Ray Brock; Little, Brown & Co.; 406 pp., $5.50.

Here's a picture, painted in strong colors, of the man who took a badly defeated, impoverished and dismembered Turkey into his own ruthless hands, at the end of the First World War, and set that country going strongly on a new path. Hard drinking, carousing, gambling and morose, Mustapha Kemal Ataturk might not have appealed to a western democracy, but he knew how to handle troops, eventually people, and with the aid of the disagreements among the victorious powers in the early 'twenties, he gave a new lease of life to the "sick man of Europe."

* * *

OTTAWA—Portrait of a Capital, by Blodwen Davies; McGraw-Hill; 183 pp., illustrations: $3.95.

Here is the story of one of the youngest and least well known of the world's capital cities. It traces the growth of Ottawa from the day in 1799 when a Yankee named Philemon Wright left New England with some companions, went up the Ottawa river and settled at the foot of Chaudiere Falls.

After recounting the stories of such pioneers as Braddish Billings, the Duke of Richmond, Col. John By and Nicholas Sparks, the author describes the Ottawa of today, then looks at the Ottawa-to-be as envisioned by planner Jacques Greber.

For those who know our capital, this book will have a special interest. For those who do not, it is an ideal prelude to the pleasure of a personal "discovery" of Ottawa.

* * *

WATER ON THE BRAIN, by Compton Mackenzie; Clarke, Irwin & Co.; 308 pp.; $2.10.

First published in 1933 and now re-issued—possibly because it is considered timely — this novel relates the rollicking adventures of an unlikely British secret service agent named Major Blenkinsop. No Lawrence of Arabia, the major muddles through nevertheless.

Compton Mackenzie is one of the most prolific of English humorists. Perhaps his best known work is Whisky Galore, filmed under the title of Tight Little Island.

* * *

FOR ACTION, an autobiography, by James E. Hahn; Clarke, Irwin & Co., 305 pp., $3.50.

Although the subtitle and jacket feature the business career of this Canadian industrialist, the book covers much more. A third deals with his early life and First World War record, and almost another third with his fishing, sailing and hunting, far from his Toronto office. Photographs. Index.

* * *

INVESTOR'S HANDBOOK, by Jacob O. Kamm; World Publishing Co., Cleveland; 295 p., $5.95.

For the person who gets confused with some of the investment community lingo — things like over-the-counter, ex-dividend, leverage, shortsale, etc. — this volume brings fresh help.

The author has already written an elementary book which guides you through the investing process step by step. This one is a reference book for the beginner as well as the seasoned investor, providing simplified explanations and definitions of investment terms and processes.

The material on the Canadian market is sketchy, but most of the material has application to investment operations here as well as in the U. S.

The book is available in Canada through Nelson, Foster & Scott Ltd., 87 John St., Toronto 2B, Ont.

* * *

THE FOUR CONTINENTS, by Osbert Sitwell; MacMillan; 282 pp.; illustrations; $5.

Sir Osbert describes his latest work as "more discursions on travel, art and life." The four continents of the title are Europe, Asia, Africa and our own, and the period of his travels is, chiefly, the post-war era.

This is a travel book, but by no means a guide-book—unless it be a guide to leisurely contemplation of the art of living.

No Baedeker, Sir Osbert writes entertainingly of his visit to the winter quarters of a circus, of magicians he has seen, of Ottawa in a snowstorm, of the contrast between the Canadian and U. S. sides of Niagara Falls, of the Great Wall of China and the Giralda tower of Seville.

A pleasant arm-chair world tour, with an urbane companion.

* * *

LAVENDER'S BLUE: A Book of Nursery Rhymes, compiled by Kathleen Line; Pictured by Harold Jones: Oxford University Press, $3.

This new collection of old favorite nursery rhymes is full of attractive illustrations, some in gayest colors, some in black and white. Large, easy-to-read type and heavy stock paper make it a practical gift for children.

The book is arranged in nine groups of rhymes: Rock-A-Bye Baby with other cradle rhymes and games; Girls and Boys Come Out to Play and rhymes about children; Old Mother Goose and other famous characters; The Lion and the Unicorn with rhymes about animals; Here We Go Round the Mulberry Bush as well as other games; The House That Jack Built and stories in verse; If ifs and Ands, with sayings and riddles.

THERE IS NO ASIA, by Dwight Cooke; Doubleday Publishers; 320 pp.; $4.50.

A CBS news and public affairs analyst, Dwight Cooke discusses vividly the mode of life in the various countries of Asia, peopled by races differing in culture, religion and outlook. They have to be helped in a way they will understand, not necessarily the way Westerners think best, he declares. He emphasizes that because "there is no Asia," no uniform policy or method is possible.

The book offers a challenge to tell Orientals convincingly the "whys" of democracy.

* * *

THE CHANNEL SHORE, by Charles Bruce; MacMillan; 398 pp.; $3.95.

The author presents a dramatic picture of family relationships to which the atmosphere of the Nova Scotia coast and the tang of the speech add a marked charm. The story is one of very human folk touched alternately by the pull of the sea and the pull of the land, of ambition, home and emotions—an example of a type of story not too common from Canadian writers.

* * *

THE NEW MEN, by C. P. Snow; MacMillan's; 311 pp.; $2.50.

This is a story of the discovery of atomic fission and the day-to-day reactions of scientists and government officials closely connected with it.

The early difficulties in wartime England to wrest enough scientists away from other hush-hush projects to launch the "Barford" experiment, the first crushing failure when the "pile" refused to react, the final assurance that they were on the right track, the inside leakage of atomic secrets —in his new novel Mr. Snow deals circumspectly but still excitingly with these actual situations.

But this is fundamentally a psychological novel dealing with a group of people closely connected with this great atomic undertaking, their reactions to the first atomic bomb explosion, and to each other as the Barford project caught each one up in a tense, new pattern of life.

* * *

NEW METHODS FOR PROFIT IN THE STOCK MARKET, by Garfield A. Drew; The Metcalf Press, Boston; 365 pp., $4.50.

This book has appeal for students of the stock market rather than the ordinary small investor. It goes into some detail on various techniques of market forecasting, analyzing the character of the market, formula plans, etc.

The emphasis is on methods of analysis other than the more widely-used tests of earnings, business, and dividend trends. Because the market often goes in directions opposite to that indicated by current business trends, the many methods for detecting likely strength or weakness in future markets have special interest in the light of recent stock market performance.

Minnesota Mining Integrates 2 Plants

Minnesota Mining & Manufacturing of Canada, London, Ont., and Irvington Varnish & Insulator Co. of Canada, Hamilton, will operate under the control of one management.

Both are wholly owned subsidiaries of the U. S. "3M," Saint Paul, Minn. The Hamilton plant becomes a varnish and insulator unit in the 3M company and will continue to manufacture varnished cambrics and other coated electrical insulation materials, extruded plastic tubing and coated and laminated bottle-cap lining materials. Maynard H. Patterson is vice-president and general manager of the expanded operation.

Irvington Varnish and Insulator Co. in the U. S. and its Canadian subsidiary at Hamilton were taken over by the Minnesota Mining and Manufacturing Company, Saint Paul, in July, 1953. Sales staffs of the two Canadian subsidiaries were integrated in June, 1954.

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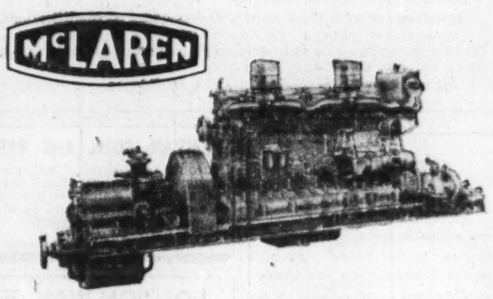
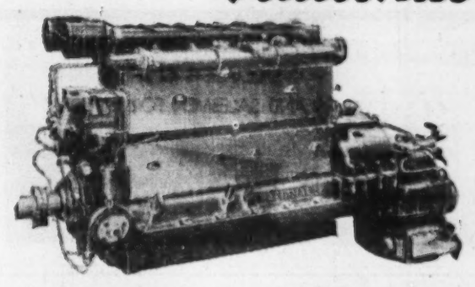


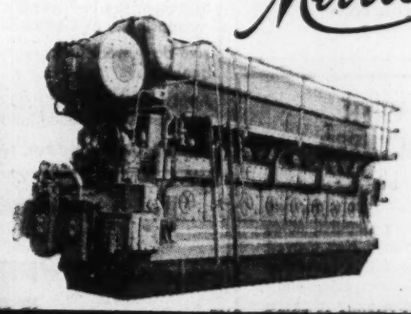
Propulsion engines from 40 to 160 s.h.p.
Auxiliary engines from 33 to 176 b.h.p.

National



Propulsion engines from 66 to 1,600 s.h.p.
Auxiliary engines from 82 to 2,000 b.h.p.

Mirrlees



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It makes sense to choose British engines — they cost less to buy, less to operate, less to maintain. And their performance is as high as their price is low!

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THE WORLD'S ONLY STAINLESS STEEL WASHER

Semi-Automatic

The gleaming, everlasting stainless steel tub of the Beatty washer is enclosed within an outer tub of heavy steel. This quality combination is found only in the Beatty. The space between is for insulation. Keeps the water hot — keeps the operator cool.

HAS AUTOMATIC SAFETY WRINGER

The Automatic Safety Wringer works quicker than thought. Just pull back on the clothes and the wringer releases. You do it instinctively! It's so safe for you and the children. Just push the wringer to swing it. There's a handy pressure gauge on the wringer to show you how much to tighten the rolls for ANY fabric.

HAS AUTOMATIC PUMP AND TIMER

This washer has EVERYTHING. It's as handsome as the pictures show. Has automatic pump and timer as illustrated.

WASHES CLEANER

Fast-working, clean-washing, time-saving washers have been the Beatty specialty for more than 50 years. They wash twice as fast and clean as others. The Beatty "human hand" agitator takes the clothes back and forth through the water, from the top of the load to the bottom. It has been proven more efficient than any other, by official tests, which EVERY washer manufacturer knows about.

THERE ARE MORE BEATTY WASHERS IN USE IN CANADA THAN ANY OTHER

BEATTY WASHERS FROM $99.50 LONG TERMS

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Saves you most! Beatty Serves you best!

Beatty Automatic Washers, wringer-style washers, Electric Ranges, Space Heaters, Water Heaters, Clothes Dryers, Ironers, Pumps and Water Pressure Systems

618

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HERE'S Better Living

. . . WITH "ORLON" BY DU PONT!

Recent wear tests in a battery factory have proven that work clothing of "Orlon" lasts many times longer than work clothing of other conventional fabrics. The resistance of "Orlon" to acids, heat and sunlight is solving problems in other types of industries as well.

A product of many years of research, "Orlon" acrylic fibre is a remarkable synthetic fibre with a distinctive personality of its own. Its special properties make it equally suited to industrial uses and wearing apparel where it is making important contributions.

In wearing apparel, the ability of "Orlon" to resist shrinkage, to retain pleats yet shed wrinkles, has made possible luxurious, easy-to-care-for apparel for all the family. The development of "Orlon" is another illustration of how research and business enterprise result in better living for Canadians at work and play.

And just as "Orlon" means "better living" in homes across the land, so, too, do scores of other fine products sold by Du Pont of Canada. No doubt you are familiar with many of them — "Cellophane" cellulose film, Nylon, Polythene sheeting and tubing, Cellulose Sponges, Petroleum Chemicals, Photo Products, X-Ray Film, "Freon" refrigerants and propellents, Neoprene man-made rubber and many Industrial Chemicals. Further information on the application of any of these products will be supplied promptly upon request. Write to Du Pont Company of Canada Limited, Montreal, P.Q.

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35 years of age, formerly senior executive with Toronto advertising agency and advertising and merchandising manager one of Canada's largest manufacturers. Presently general sales manager medium sized manufacturing company. Has proven record of exceptional sales development and has extensive merchandising and executive knowledge. Desires association with Western Ontario manufacturer with opportunity to share in future development.

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By one of Canada's largest and most progressive companies. Industrial accountant having university degree, accounting degree, or equivalent. Must have experience in all phases of industrial accounting. This position offers an excellent opportunity for advancement to a senior position. Good salary and work conditions.

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Graduate chemist with refinery laboratory experience to set up and be in charge of laboratory in new modern refinery.

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If YOU want to start, manage, buy, sell or invest in a finance, loan or discount Company OR, if you know of any existing opportunity in this industry, write in confidence to Edward L. Dixon and Associates, 70 Hillcrest, St. Catharines, Ontario.

PROFESSIONAL ENGINEER (CIVIL)

AT PRESENT TOP EXECUTIVE IN CONSTRUCTION INDUSTRY

Proven record of high profits and ability to initiate, organize and administer large volume of business.

Would invest some capital and hard work in a new venture or join growing organization requiring an executive.

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WANTED DEALER — UNDERWRITER

Ontario Company established 18 years. Growing fast, wants incorporation and underwriting 150,000 to 200,000 stock issue. Good earnings, assets. Name. Bright future.

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We would be pleased to contact interested parties in developing new basis non-metallic industrial mineral in South Eastern Ontario.

Capital investment required approximately $6,000,000.00.

This deposit has been diamond drilled, research has been carried on for 3 years and pilot plant operated for 11 months.

Comprehensive reports and information available to responsible people.

Reply giving full information and bank references.

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Sub Agent required for Vancouver and Western Region of Canada by Leading British Firm specialising in the Manufacture of Laundry Machinery for Commercial, Hospital, and Ships' Laundries. At present only the Eastern provinces are covered by our Head Office in Montreal.

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EXECUTIVE SECRETARY FOR NATIONAL PROFESSIONAL ASSOCIATION

The Canadian Institute of Chartered Accountants, with headquarters in Toronto, requires an executive secretary to take up his duties as soon as possible.

The man we are looking for will be capable of assisting the Executive Committee in the development of national policy and of handling the secretarial aspects of committee work. He will also represent the Institute and the profession in the business world and so must be able to meet people easily in all parts of the country. At the same time he will be responsible for the administration of the Institute's offices and staff and his duties will include co-ordinating the relations of the national body with Institutes of Chartered Accountants in each province of Canada. Preferable age 35 to 40.

Initial salary from $9,000 to $12,000 depending on qualifications.

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Applications should be sent to the address below and will be held in strictest confidence. All letters will be acknowledged. Our fees are always paid by our employer-clients.

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Nationally known manufacturer and distributor of food products requires an assistant in the Comptroller's Department. Candidates should have a degree and about two years subsequent accounting experience. Salary open.

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SALESMAN, managerial qualifications, proven sales record, interested in industrial selling, unlimited earnings, first class references, presently employed with large organization, 42 married. Box 985, The Financial Post, Toronto.

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$100,000 Required

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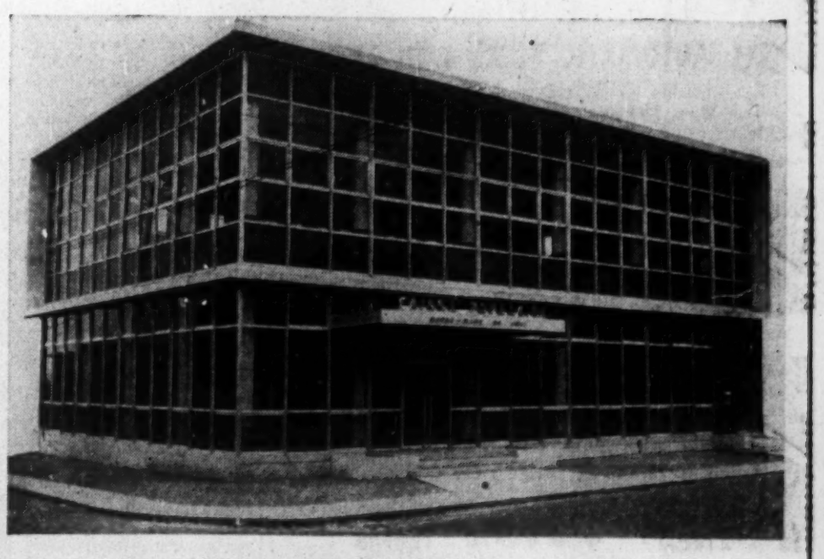

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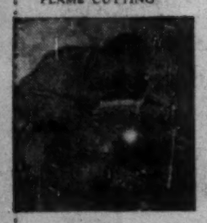

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Trend of Business

Television manufacturers plan to make 240,555 sets in November, December and January, more than half as many again as in corresponding period last year. (Figures cover members of Radio-Television Manufacturers Association of Canada.)

Department store sales in week ended Nov. 20 were 8% above corresponding week of last year. Gains were: British Columbia, 17.5%; Atlantic Provinces, 16%; Manitoba, 15% Alberta, 6%; Ontario, 5%; Quebec, 2%. Only decrease was for Saskatchewan, 6%.

Seasonal reduction in labor demand, in October and September, has been a little smaller this year than last, according to Department of Labor. Reason is increasing employment in the primary industries, particularly agriculture. Agricultural employment has been ahead of last year for four months. Construction activity has also been high, and service and trade employment continues to grow. Manufacturing is the trouble spot.

Persons without jobs and seeking work numbered 179,000 in the week of Oct. 23, according to the labor force survey. Compares with 167,000 in September and 111,000 in October last year. Present figure is 3.3% of labor force.

Seven lines of retail trade showed gains over year-earlier volume in September. They were: grocery and combination stores, up 4%; meat stores, 2%; department stores, 3%; variety stores, 4%; family clothing stores, 1%; furniture stores, 1%; fuel dealers, 2%. Declines were: men's clothing, 8%; building material dealers, 7.5%; restaurants, 7%; women's clothing, 5%; hardware stores, 5%; general stores, 4%; garages and filling stations, 3%; motor vehicle dealers, 2%.

Prairies and B. C. have been having depressing and misleading effect on Canada retail sales totals. September retail sales were down 1% from same month last year, as a result of Prairie weakness. But other regions all showed increases. In Canada totals, every month but March this year has been lower than the same corresponding month last year. Retail sales to Oct. 1 are down 1.5%, but all provinces except Prairies and B. C. show increases for this nine-month period.

Our foreign trade deficit this year to Nov. 1 is smaller than year ago, as result of an 8% decline for both exports and imports. Imports are a larger dollar figure, so imports are down more than exports in dollars. But October exports are down 9%, compared with a 7% drop in the preliminary estimate of imports. Comparisons against same month last year. So we have an import surplus for October somewhat larger than last year.

Our imports from U. S. have fallen considerably more than our exports to U. S., both in October and 10 months, compared with year earlier. Thus our import surplus on trade with that country is sharply reduced.

Carloadings from beginning of year to Nov. 7 are down 9% in number of cars from same time last year.

Wheat exports this year to Nov. 1 total 36% fewer bushels than the corresponding period last year. Average export price for the same months is $1.82 this year, $1.96 last year.

Woodpulp production is higher both for October and first 10 months, compared with last year. October gain is 5%.

Creamery butter production in October was 1% ahead of same month last year, compared with a gain of 3.5% this-year-to-Nov. 1. Cheddar cheese output is up 7% in October and somewhat more in the first 10 months.

Lumber industry in U. S. will get only 44% of its potential market in 1975, compared with 58% last year. Forecast of Stanford Research Institute for Weyerhauser Timber Co. in U. S. Reasons for loss: price trends, changing taste in residential architecture. But while lumber will lag behind, plywood will come into wider and wider use. Also big gains ahead for hardboard, insulating board, pulp and paper and paper board, it's predicted.

Coal output is 7% under year earlier for this year to Nov. 1, and still falling. Imports are down too, so the situation is owing to competitive fuels in large part. Nova Scotia loss so far this year is about 1%. Alberta has seen a nominal increase in sub-bituminous coal mined there, though bituminous coal is down. (Both kinds are down for Alberta in October compared with last year though.)

Major Weekly Indicators

	LATEST WEEK	Week Ago	Month Ago	Year Ago
Department sfore sales (% ch. from year earlier)	+8%	—7%	+4%	—1.5%
Carloading, totals (cars)	76,863	101,516	77,254	79,485
Eastern Canada (cars)	63,540*	46,367	66,881	74,943
Western Canada (cars)	37,976*	31,049	30,512	43,732
Iron & Steel (m'fd) (cars)	1,306*	1,091	1,388	1,947
Ores, concentrates (cars)	6,564*	4,403	7,045	5,541
Base metals (cars)	794*	596	793	915
Lumber, timber plywood (cars)	5,762*	4,262	5,945	5,720
Cement (cars)	1,266*	1,150	1,531	1,257
Motor veh. production (units)	3,680*	3,367	2,861	3,920
Bus. failures 4-wk. moving av. (No.)	19.8	20.3	25	28.3
Chartered banks				
Personal savings ($ millions)	5,167	5,203	5,292	4,761
Loans outstanding ($ millions)	4,223	4,111	4,089	4,176
NHA mtge. holdings ($ millions)	45	42	33	....
Bank of Canada holdings of securities ($ millions)	2,286	2,228	2,183	2,289
Short term govern. ($ millions)	1,438	1,391	1,393	1,377
Long term govern. ($ millions)	836	824	778	895
Other securities ($ millions)	12	12	12	17
Canadian dollar (U.S. cents aver.)	103.266	103.259	103.093	102.420
T.S.E. industrial index	372.83	371.15	354.66	309.69
Dom. bond yield index ('35-39=100)	99.0	99.0	98.6	118.1
Bank clearings				
Montreal ($ millions)	552	....	527	449
Toronto ($ millions)	726	786	727	501

*Last issue's data; latest available.

Facts by the Month

WHAT WE PRODUCE—	LATEST MONTH AVAILABLE	One Month Previous	Two Months Previous	One Year Previous
In all industries (Index)	244.2	239.0	252.9	248.6
In factories (Index)	249.0	241.8	260.3	262.1
Total nondurable goods (Index)	226.9	214.7	233.2	230.5
Food and bev. (Index)	258.7	251.2	253.7	255.8
Textiles (Index)	....	120.2	154.2	166.5
Clothing (Index)	138.6	126.1	131.6	162.2
Chemical products (Index)	283.4	280.9	293.4	283.2
Total durable goods (Index)	263.7	254.2	272.6	311.7
Iron & Steel products (Index)	242.1	241.3	262.2	278.4
Primary iron & steel (Index)	216.5	224.5	256.3	301.4
From mines (Index)	227.0	227.8	219.1	201.1
Metals (Index)	128.8	127.2	129.5	111.1
Nonferrous smelting refining (Index)	237.1	230.7	237.8	226.6
Gold (Index)	103.8	106.4	109.0	91.8
—From farms				
•Hogs graded (000)	431	314	430	396
•Cattle delivered (000)	185	149	172	180
Flour (Index)	148.3	125.8	144.9	116.5
—From sea				
E. Coast catch ($000)	4,723	6,129	8,628	3,643
W. Coast catch ($000)	6,625	7,695	5,832	4,069
—From forests				
Newsprint (000 tons)	526	491	503	511
•Pulp (000 tons)	837	785	800	799
—In powerhouses				
Electricity (Index) (seasonally adjusted)	260.6	269.3	273.4	245.0
WHAT WE SELL—				
•Retail sales ($ millions)	988	978	1,044	997
Dept. store sales ($ millions)	96	89	74	97
Wholesale sales (value) (Index)	402.3	378.1	371.1	409.0
Mfrs. outstdg. orders (value) (Index)	81.2	81.1	82.2	74.4
Pass. car sales (units)	21,524	27,973	31,808	22,016
WHAT'S ON HAND—				
•Mfrs. inventories (value) (Index)	98.2	99.2	100.1	103.2
•Dept. store stock sales ratio	3.3	2.9	2.8	3.4
SPENDING, SAVING POWER—				
Labor income ($ millions)	1,014	1,010	1,000	994
Dividend payments (Index) (annual rate)	252.8	246.6	247.0	245.0
JOBS—				
•Employment (Index)	113.3	112.9	112.3	116.9
•Mfg. employment (Index)	108.1	108.3	108.0	115.2
CONSTRUCTION—				
Contract awards ($ millions)	181	183	247	209
FOREIGN TRADE—				
•Export ($ millions)	318	337	328	348
•Imports ($ millions)	332	333	343	358
MONEY—				
•Money supply ($ millions)	5,331	5,226	5,228	5,236
Cheques cashed ($ millions)	11,363	12,125	13,662	10,059
Notice deposits ($ millions)	5,585	5,535	5,473	5,226
•Current public loans ($ millions)	3,750	3,776	3,781	3,648
Life insurance sales ($ millions)	207	191	197	225
PRICES—				
Consumer price (Index)	116.8	116.8	117.0	116.7

Index bases: production wholesale sales 1935-39=100; employment, payrolls, 1949=100; consumer price index, 1949=100; manufacturers' inventories, outstanding orders, Dec., 1952=100.

STRATEGIC MATERIALS—Production and Supply—

	Latest Month	Month yr. ago	Yr. to date	% chge. yr. to date
Steel ingots and castings (000 tons)	247	329	2,353	—24
•Primary copper (000 tons)	23.7	19.6	222	+12
•Nickel (000 tons)	13.4	13	117	+10
Cement (000 bbls.)	1,992	1,923	16,933	+2
Lumber (millions fbm)	411	712	4,466	—14
Lumber exports (million fbm)	415	206*	2,097	+9

•New items this week.

Rising Exports Brighten Business Outlook—Enman

"In 1954, there has been more variety, more conflicting movement in the business picture than at any time in recent years," President H. L. Enman told shareholders of the Bank of Nova Scotia at the annual meeting in Halifax this year.

"For the first time since the war," he said, "Canada has experienced a year that was not as good as the year before." Gross national product will be close to $24 billions, slightly lower than 1953's $24.3 billions.

Decline in manufacturing activity has been concentrated in metal-using and textile industries, Mr. Enman noted. Agriculture also suffered some reverses.

Reasons for the business readjustment, he said, were the moderate recession in the U. S., the increase in world production of certain foodstuffs, and the "notable increase" in external competition.

On the other hand, resource development continued at a high level and the housing program was even larger than in 1953. Some big export industries were very active, and personal income was well sustained.

"If anything, the outlook has improved recently because export markets for our basic products, including wheat, have been somewhat better, and because conditions in the U. S. have been steady and in some directions have shown improvement," said the president.

Difficulties Not Over?

"However, it would be premature to conclude that the readjustment will soon be completed and that our difficulties will be over."

General Manager C. Sydney Frost said that this is the first postwar year that Bank of Nova Scotia has not experienced an increase in current loans, which were 3% lower on Oct. 31, 1954, than a year earlier.

On the other hand, there were large increases in security holdings and in call loans, the latter reflecting a rise in U. S. dollar resources and their employment in the New York call market.

"There has been a pronounced change in monetary conditions during the past 12 months," said the general manager. Current loans ceased rising early in the year, after a long upswing, and in the third quarter they declined instead of showing the usual seasonal increase.

"Monetary conditions have become comparatively easy after a period when money was rather tight," Mr. Frost observed.

The new day-to-day loan market, developed this year to broaden the market for treasury bills and further extend the market for short-term bonds, has worked quite well, said Mr. Frost.

"The banks have a new outlet for employing idle funds for short periods and are assured of getting their funds on demand by the ability of the dealer to go to the Bank of Canada which acts as the lender of last resort," he added. These day-to-day loans are the most liquid bank assets next to cash.

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Butterfly Hosiery Passes Dividend

MONTREAL (Staff) — Butterfly Hosiery Co. has passed the dividend on its common shares which would normally be payable Dec. 15.

Present circumstances do not justify imposing further strain on the company's resources through declaration of a dividend which has not been earned, it was stated. Resumption of common dividends, the company added, can be warranted only by improved earnings.

Butterfly has been paying 10c per share quarterly since June 15, 1953. It earned 81c per common share in the year ended Jan. 2, 1954.

"We know the Star gives us the most for our advertising dollars!"

L. N. Alexander, Sales Manager, Pape Clothes

Our business has been built on the immediate sales results we have obtained with our advertising dollars. And in just three years Pape Clothes' sales volume has increased so rapidly that we now have three new stores in addition to the original Pape and Danforth Shop.

From the beginning, we have used the Star for over 90% of all our advertising, and have been more than satisfied. By testing results from specific ads in the Star and contrasting them with the returns from other newspaper advertisements, direct mail pieces and radio spots, we have found that dollar for dollar the Star outsells all other media.

For out-of-town coverage too, we count on the Star. You can't beat it for lasting impact and quick results.

L. N. Alexander, Sales Manager, Pape Clothes

Whether you are a manufacturer, distributor or retailer selling rugs or radios, cars, coal, cake or clothing . . . for cash, credit or charge . . . your ads. in the Toronto Daily Star will reach more people at less cost . . . make the most sales per advertising dollar. And isn't that just what you want your advertising to do?

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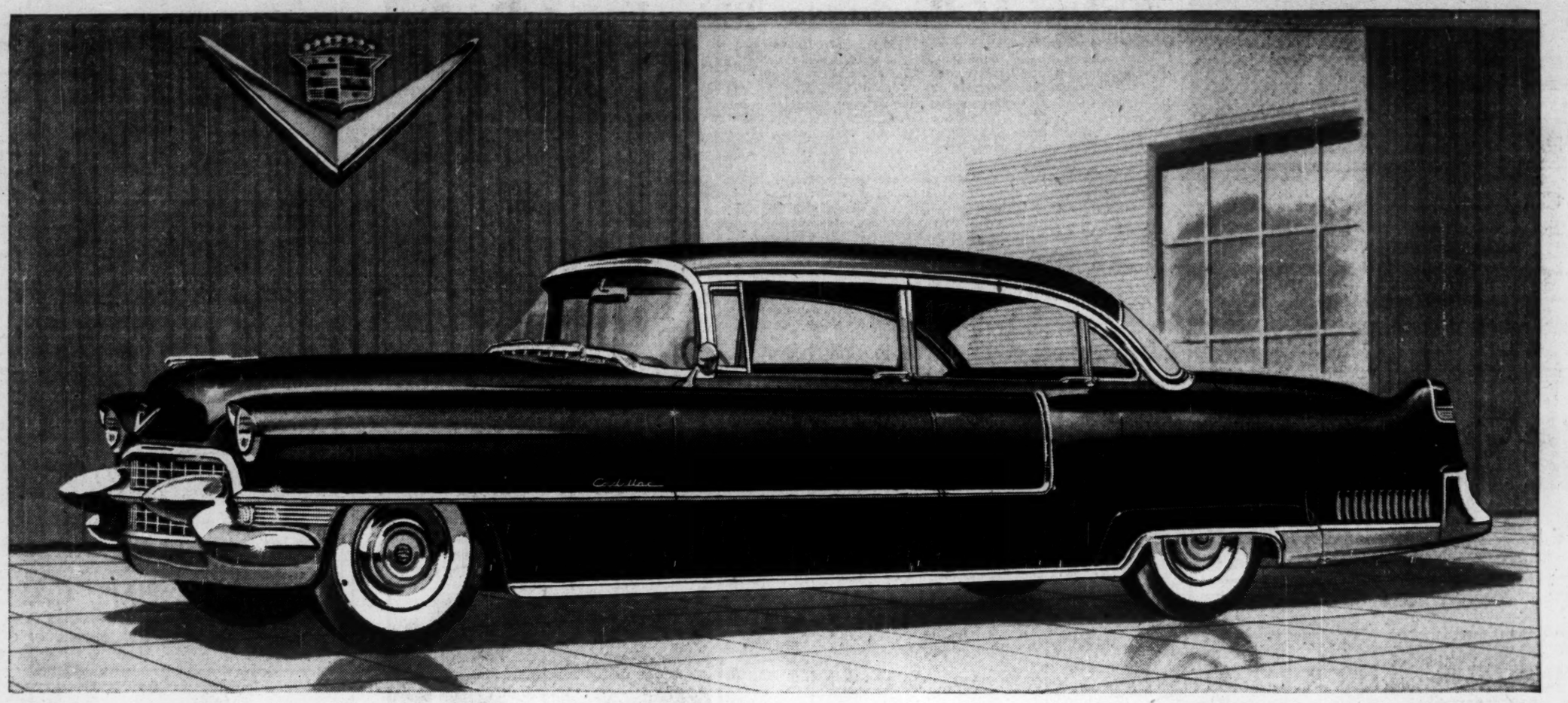
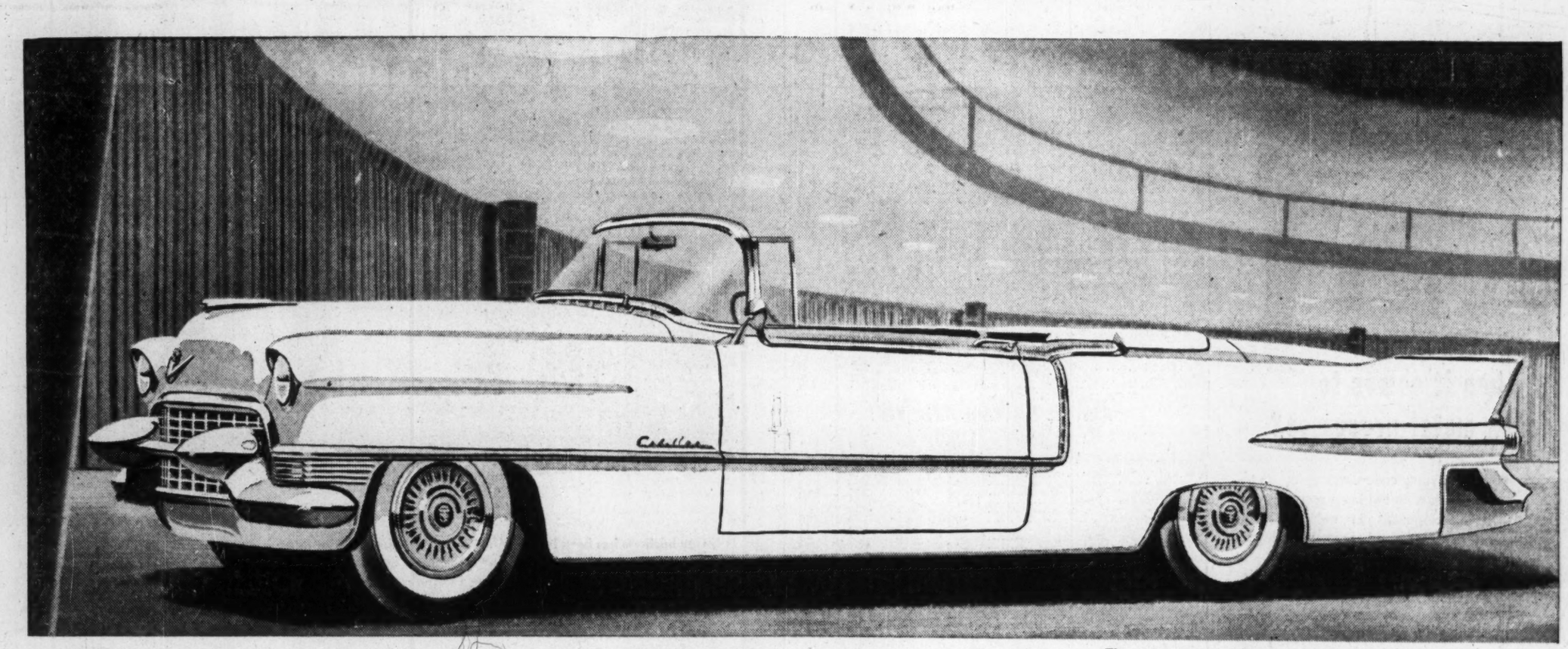


The new Series 60 Special, representing the standard 1955 models, features a new Florentine-curved roof line, a new slender center post, and a great new 250-h.p. engine.

Cadillac FOR 1955

....Presents the Most Beautiful and Finest Performing Cars in Its History!



The spectacular new Eldorado, a dramatic interpretation of the new Cadillac styling, offers many unique features, including a new 270-h.p. Cadillac engine.

This is one of the most significant new-car announcements in Cadillac history.

For it introduces to the world's motorists the most magnificent creations in Cadillac's fifty-three years of motor car production.

Four new Cadillac series are offered for your consideration — the famous Series Sixty Special, the beautiful Series Sixty-Two, the distinguished Series Seventy-Five, and the spectacular Eldorado.

They are, as you can readily see, magnificent in beauty—with a new, jewel-like grille and front-end assembly...with dramatic and graceful new side styling ...and with new dignity and bearing in every detail.

They are magnificent, too, in performance. There is a great new Cadillac engine, the most dynamic and powerful ever offered in a production motor car ... an improved Hydra-Matic Drive ... advanced Cadillac Power Steering ... and, as an option at extra cost, refined Cadillac Power Braking.

And they are magnificent in luxury ... to a degree unusual even for Cadillac. Their interiors are almost unbelievably beautiful ... and they are offered in an unusually wide selection of gorgeous new fabrics and leathers.

Beyond any question, these new Cadillac creations represent a new Standard of the World—and we urge you to see and inspect them in our showroom.

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The Financial Post

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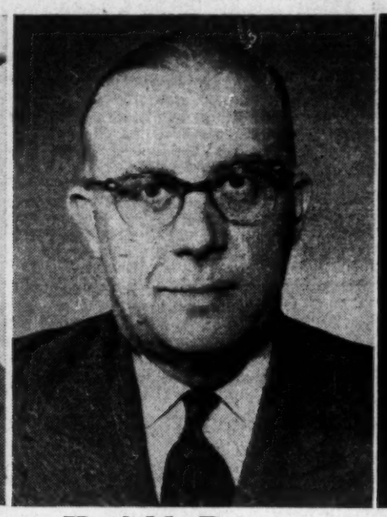
Held To An Idea...

FRED T. SMYE,
vice-president and general manager, Avro Aircraft Ltd.

They'll Design And Build The Planes

JAMES C. FLOYD, v.p. experimental and engineering in the new Avro Aircraft Ltd. (left) came up through the ranks of the Hawker Siddeley Group. He is the first non-U. S. resident awarded the Wright Medal—for design of the Jetliner. He teams up with HARVEY R. SMITH, v.p. manufacturing, former Kaiser production executive on U. S. Navy flat-top, aircraft



He Adds Power...

WALTER R. McLACHLAN
vice-president, general manager, Orenda Engines Ltd.

...From Engines They Dream Up And Turn Out

CHARLES A. GRINYER v.p. experimental and engineering, Orenda Engines Ltd., directs the company's jet engine future with experience gained from the beginnings of jet engine development in the U. K. His production counterpart, EARL K. BROWNRIDGE, v.p. manufacturing, is at 40 one of the "old-timers," having worked his way to the top.

There's Young New Team Behind Avro's Big Plan

By VICTOR KOBY

A young giant of Canadian industry—A. V. Roe Canada Ltd.—has injected new blood into new veins in its system.

It's all part of a move to strengthen Avro's leadership in the world of aircraft design and construction. By forming a new corporate base, it also paves the way for public investment in the company. And it lays the groundwork for possible diversification.

Under the new setup Avro Canada will be able to move with greater ease into a broad range of industrial activities associated with aviation. Starting as projects, some of these new activities may become separate companies in the new group.

The new corporate base:

—Avro Aircraft Ltd. is formed out of the aircraft division;

—Orenda Engines Ltd. is formed out of the gas turbine division;

—Canadian Steel Improvement Ltd., producer of light alloy precision forgings and castings is purchased from the Hawker Siddeley Group.

A. V. Roe Canada Ltd., parent company of this new Canadian group, is in turn owned by the Hawker Siddeley Group of Britain.

And the new possibilities:

—U. S. Air Force participation in "Project Y" — the flying saucer — on a research and development basis;

—Quantity order for the all supersonic long-range fighter, the CF-105, now being developed under RCAF contract;

—Firm interest by RCAF and U. S. aircraft manufacturers in the titanium P.S.13 20,000 lb thrust class jet engine now being developed;

—Firm expansion into fields of electronics, guided missiles, light alloy metal fabrication.

Young Team at Helm

It's a tall order, in the tough, competitive field of aircraft design and manufacture. And to carry it out, 42-year-old Avro president Crawford Gordon, Jr. has gathered a young team. At an average age of 41.4 years they are the youngest executives to run any Canadian company the size of Avro Canada (2.7 million sq. ft. working area, 16,000 employees). What's more, many left higher paying posts with greater security in the U. S. and Britain as well as Canada to go to Avro.

In their new jobs, they head companies which are free to develop their own products and customers, regardless of the problems of their related companies. At the same time, all benefit from the group's management and financial strength.

The two new companies, Avro Aircraft and Orenda Engines, were created July 29 as private companies with authorized capital of one million npv shares or $10 millions each. (One share = $10.)

Then on Aug. 1 each company bought the related assets of the parent company and assumed the applicable liabilities. In exchange, the parent company received 350,000 shares of the aircraft company and 400,000 shares of the engine company.

Canadian Steel Improvement Ltd. capital stock was purchased by the parent company for cash from the Hawker Siddeley Group of the U. K. which had recently purchased it from Steel Improvement & Forgings Co., Cleveland, and the Canadian Government.

This new setup will make possible the sale of stock in both engine and aircraft companies to the public, or the authorization of a new issue for one or another of the companies, leaving A. V. Roe Canada Ltd. stock — held privately by the Hawker Siddeley Group — unchanged.

A Long, Hard Pull

To suave but tough Gordon, the move represents the final fitting together of the plan he envisaged when taking over at the controls in 1951.

Avro was then in its teething period on the CF-100. Canada had never had both a military engine and aircraft design and production plant before or even considered undertaking such a project.

Gordon took over at a time when other Canadian executives advised him, "I wouldn't take the job at five times the salary." With the coming of the Korean War a long range project had turned overnight into an immediate necessity. There were conflicting statements regarding production and delivery. There were shouts of "waste," "inefficiency," and "a drain on the taxpayer's dollar," from critics.

"Yet there were few in either party who had the slightest idea that a jet engine and jet fighter cannot be designed, developed and produced in quantity like sausages," a company spokesman told the writer.

When Gordon took over, one of his first moves was to separate the aircraft and engine operations into separate divisions, each with a general manager. It was the beginning of a shakedown.

New faces appeared, as experts were hired from U. S., Canadian and British industry. Production was rescheduled and assembly flow lines reorganized. By this time the new engine plant was under way.

To get aircraft and engines rolling out the door and put unit costs on a production basis, financial reins were tightened all along the line. Each department was put on a budget control for men and materials. Duplication was reduced, control procedures on men and work improved.

Then, what Gordon was working toward came about. The cost plus contract came to an end — there would be no more talk of waste or impoverished taxpayers. The Department of Defense Production is credited with setting up the new ingenious formula for contracts — the fixed target price.

Avro estimated a cost price for the contract. This was checked and upgraded or downgraded item by item by DDP. A 5% profit was allowed over-all — this became the target price for the contract. If costs went up they would come out of the 5%. If the company cut costs below the target the saving was split 50-50 between the Government and company.

With this incentive cost cutting continued. Night-shift work was cut substantially. A 12c an hour night differential per man was saved on hundreds of jobs.

In hundreds of little ways the economy drive pushed on. Subcontractors were pressed to cut their prices or lose their contracts.

The cost per plane came down. Production went up along with profits on an order backlog of $650 millions (a mid-1953 figure).

To management planner Gordon, decentralization is the final piece of the plan for greater efficiency, productivity and expansion. Now he sees room for profits as well as ideas.

Man With a Vision

The central figure who had the vision to make Avro come from nowhere in nine years is Chairman Sir Roy Dobson. This fiery north country Englishman was one of the few in postwar Britain to sense the Canadian future as the place for money, men and ideas.

There is one business Dobson knows well — aviation. So it was to Dobson as head of A. V. Roe Ltd., that a seasoned 28-year-old executive, of Victory Aircraft, Fred Smye, went in 1945 with a longshot idea:

"Would the Hawker Siddeley Group take over the dying Victory Aircraft Ltd., Malton, a Crown company, and start a new Canadian aircraft industry?"

Despite the sudden end of the war, cancelation of Lancaster contracts and almost hopeless outlook for aviation, Dobson said yes.

Sir Roy and Rt. Hon. C. D. Howe were brought together in Ottawa, mostly through Smye's efforts. A sort of reverse lend-lease agreement was signed by which Howe agreed to loan the capital to save Britain dollars.

Howe had the promise of an engine and aircraft design, development and production company to free Canada from dependence on others. Dobson on Dec. 2, 1945 had a $4 million plant and one youthful executive employee.

Since then Dobson has pumped over $16 millions cash into the Canadian venture from Hawker Siddeley Group funds. He encouraged his key young designers to go to the Canadian plant along with thousands of technicians and skilled aircraft workers.

Despite political opposition to the venture and criticism in Canada, he never wavered in full support of the project. What's more, the Hawker Siddeley Group has yet to get one cent of the profits back as a return on the $16 millions. All profits have been ploughed back into the company.

Here's how Sir Roy's gamble has paid off — a step-by-step look at the new company:

The parent company, A. V. Roe Canada Ltd. headed by Gordon becomes both a financial watchdog and co-ordinator of projects, policies and finances.

It is the official channel for the close relationship with the parent British group, with Ottawa and foreign governments. It oversees legal, industrial and public relations and the expansion into new fields.

Gordon and his staff can concentrate on the company's position in the industrial fabric of Canada and "off-load" the day-to-day details of running three diverse projects. Here is the background and future of these projects:

Avro Aircraft

In size alone, 600,000 sq. ft., Avro Aircraft Ltd. ranks among the largest in Canada, employing 10,000 people in engineering, production, testing and servicing.

The company's present biggest job is the production of 510 Mark IV rocket firing versions of the CF-100 long-range (1,200 miles) all-weather interceptor for the RCAF with over 300 turned out.

Some 70 Mark III gun-firing CF-100's already produced are being converted (MacDonald Bros. Aircraft, now Bristol Aeroplane Co., Winnipeg) to dual control trainer versions.

One of its outstanding accomplishments has been the design and production of North America's first jet airliner — the Jetliner. It might have become the world's first but for engine supply difficulties. Trans-Canada Air Lines placed the initial order and later National Air Lines was ready and willing to place orders for the aircraft until the project was shelved at government insistence giving the CF-100 top priority.

The company still has the first prototype and flies it continuously. It gives an enormous engineering advantage in providing a flying test bed for all high speed flying instruments and components which otherwise would have to be ground tested.

"Flying Saucer"

A young British designer, John Frosst, who had emigrated to Avro, came up three years ago with a revolutionary principle of flight. It involves a series of jet engines placed in a circular airframe about the pilot. By controlling the direction of thrust of the jet engines, the pilot controls direction of flight as with the normal elevators, rudder and ailerons. The airframe is similar to a disk, giving it the greatest possible lift and looks much like a saucer.

The company originally spent some money developing the idea and attempted to interest the Canadian Government in this "flying saucer," but the project was considered too extensive to involve public money.

Since then, it is reported that the USAF has considerable interest in the project through its Air Research and Development Command, Baltimore, Maryland.

The aircraft is designed: to take off vertically and dispense with expensive runways; fly supersonically with ease; climb at unprecedented speeds to challenge any aircraft known. In short, because of its design, it may well evolve into a new conception of the airplane. But, of course it is still in a very preliminary research stage.

Closer at hand is the successor to the CF-100 Mark IV. The idea was conceived late in 1952. In May 1953 Ottawa approved a $250,000 design study program. Early this year the Government approved an order for two prototypes of the plane. The first scale "study" model is expected to fly early 1955, with production scheduled for perhaps 1960.

The CF-105 will be a two-seat supersonic long range all-weather interceptor.

Known specifications include: high delta wing; twin-engines, the proven Pratt & Whitney J-57 to test the prototypes, followed, it's hoped by the company's super Orenda, the P.S.13; range of more than 1,500 miles; level-flight speed of around 1,200 mph; armament to include air to air guided missiles — the Velvet Glove (Canadian infrared development) or its successors such as the Hughes' electronic homing "Falcon."

If these two projects were not enough, the large design teams in the aircraft division are credited with developing successful rocket wing tip pods and belly rocket packs; are doing extensive guided missile airframe design work; thinking on jet trainers, eventual rebirth of the Jetliner as a new and far advanced jet transport.

Another and growing department of the aircraft company is that associated with electronics. These represent a good part of the cost of the CF-100 and it is now entirely possible that the company may expand existing facilities to produce the Falcon or radar fire-control equipment — a profitable financial basis for establishing a separate electronic company.

Orenda Engines Ltd.

From the moment Avro Canada was born, jet engines were in the cards. This placed Avro in the unique position of being the only aircraft company in the free world with parallel developments.

Unlike other aircraft producers it did not have to look around for an engine to marry to its airframe. Under the Avro plan one would be tailored to suit the other.

The company has now turned out over 1,500 Orenda jet engines, now in the last stage of development as the Orenda 14 for the Canadair built F-86 Sabre VI and the Orenda 11 for the CF-100 Mark IV. The engine plant opened in 1952 is recognized as the most modern and completely equipped in the world. Experience has given the company an enormous potential in precision engineering work of all kinds including tool design and production, jet blade manufacture.

The company has a test plant at Nobel and will soon have a new $500,000 Sopwith Laboratory as a jet engine and research laboratory.

The engine future is as breathtaking as the aircraft future: all energies are being concentrated on the world's first titanium engine, the P.S.13, a twin-spool axial flow compressor jet engine. It is expected to have a thrust of close to 20,000 lb. to drive any aircraft at supersonic speeds and is attracting the interest of U. S. military and aircraft industries. To date, $4 millions has been spent on this project.

Titanium Forgings

Canadian Steel Improvement Ltd. is the only complete producer of the large variety of forged blades used in today's jet engines. Formed by Ottawa in 1951 at Etobicoke (outside Toronto) to provide a continuing source of blade supply, it has since produced several millions.

The firm is still expanding in light alloy forging and casting work in aluminum, magnesium and titanium and their alloys, and has developed a number of radically new methods of working with and forging titanium, the wonder metal.

Because of this CSI is almost solely responsible for the development of the P.S.13, which includes titanium blades and other components — a major engineering feat.

The framework of CSI's future is already in the making: to diversify activities to 50% commercial and 50% defense work. Customers other than A. V. Roe Canada Ltd, now are Lucas-Rotax, Canadian Flight Equipment and Canadian Arsenals.

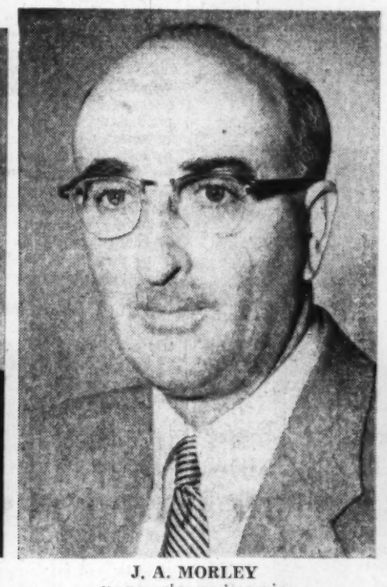
But titanium—possibly actual smelting and refining — looms exceptionally large in the company's future for all types of products.

Plans closer at hand: expansion of existing forging capacity ready by April 1955; installation of a new giant drop hammer; a new light alloy foundry to be completed by the fall of 1955; doubling existing employment to around 800.

Present activities outside of titanium fall into: aluminum and magnesium sand foundry work; aluminum pressure die casting; aluminum permanent molding.

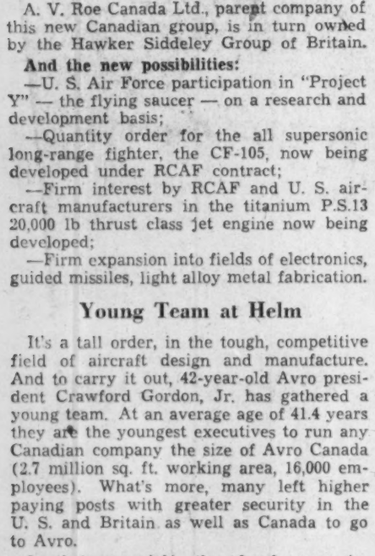
Because of the company's close association with the gigantic High Duty Alloys Ltd., of the Hawker Siddeley Group in the U. K., CSI hopes to become the leading commercial and defense engineering foundry working in light alloys for consumer appliances, the automobile, electrical, electronic and aircraft industries.

CYRIL J. LUBY
president, Canadian Steel Improvements Ltd.

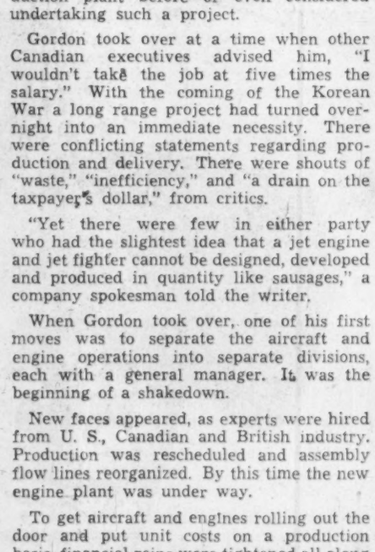


J. A. MORLEY
v.-p., sales and service Avro Aircraft Ltd.

F. L. TRETHEWEY
v.-p., sales and service Orenda Engines Ltd.

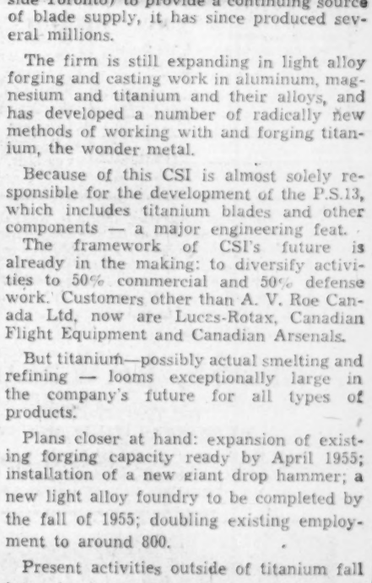


CRAWFORD GORDON, JR.
president, A. V. Roe Canada Ltd.
He staked his reputation . . .



SIR ROY DOBSON
Chairman of the Board
. . . on his long-range vision

A. A. BAILIE
v.-p., finance and treasurer, A. V. Roe Canada Ltd., played major role in setting up new organization



W. H. DICKIE
v.-p., industrial relations, A. V. Roe Canada Ltd., one of the country's top labor-management experts

Merton Durant

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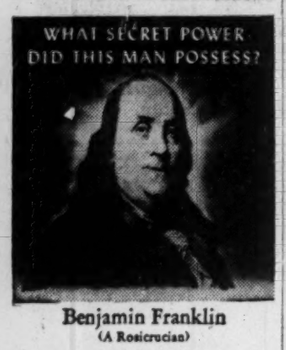
CITY OF SARNIA has sold $747,302 3½%, 4%, 4¼% and 4½% serial debentures to a group headed by A. E. Ames & Co. and including Dominion Securities Corp., Fry & Co. and the Royal Bank of Canada. Price was 102.255, cost 3.75%, and proceeds for local improvements, pavements and drains.



Benjamin Franklin
(A Rosicrucian)

WHY was this man great? How does anyone—man or woman—achieve greatness? Is it not by mastery of the powers within ourselves?

Know the mysterious world within you! Attune yourself to the wisdom of the ages! Grasp the inner power of your mind! Learn the secrets of a full and peaceful life!

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Bank of Comm. Offers Shares

Canadian Bank of Commerce has become the third of Canada's chartered banks to offer new stock to its shareholders since July 1. Commerce is offering 750,000 new shares at $27, on the basis of one new share for each four shares held.

Like the stock offerings by Royal Bank and Bank of Montreal earlier this year, the latest offer is not open to U. S. shareholders. Under the revised Bank Act which went into effect July 1, the banks are not required to include all shareholders in such an offer.

The offering price, $27, is the per-share value of Commerce's paid-up capital of $30 millions plus reserve fund of $51 millions (increased from $38 millions earlier this year). There are three million shares outstanding.

Shares were selling at $45 on the Toronto Stock Exchange when the rights offering was announced Nov. 26, dropped to $39½ ex-rights when trading opened this week. Rights traded at $3.

The new issue will increase the paid-up capital by $7.5 millions and the rest account by $12,750,000, said President James Stewart. This will bring total capital funds to more than $101 millions.

In a letter to shareholders, General Manager Neil J. McKinnon said that the increase in capital funds is desirable in view of the large and continued growth in the bank's business. Last issue of capital stock by Canadian Bank of Commerce was made 25 years ago. Since then, assets have increased by $1,300 millions to more than $2,058 millions.

Subscription warrants are to be issued Dec. 15 to shareholders of record Nov. 26, and must be exercised by March 15, 1955. Shares may be paid for in 10 equal monthly installments commencing March 15, or in full, on or after Jan. 3, 1955.

New shares will qualify for dividends immediately upon subscription to the extent that they are paid up. While the shares are not being offered to U. S. residents, these shareholders will be provided with subscription warrants which they may sell.

Rootes Deb. Issue Sells In 3 Minutes

Rootes Motors Ltd., English parent company of the world-wide Rootes Group of motor car manufacturers, sold an $8.4 million 4% debenture issue in three minutes at the end of last week.

Robert Fennell, president of Rootes Motors (Canada) Ltd., said applications from investors totaled $224 millions, and poured in at the rate of $74 millions a minute.

The company will use the proceeds of the issue for plant expansion to meet the growing demands of overseas markets, including Canada. Company manufactures and distributes Hillman, Humber and Sunbeam cars, and a diversified range of commercial vehicles.

• Long ago we gave up trying to guess the stock market. We concentrate our efforts on the more serious and constructive job of helping people in a sensible way to reach their financial objectives. Our long experience in the business has helped others to pick out securities best suited to their individual needs and desires. Perhaps we can help you. Write, phone or, if possible, come in and talk to us.

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YOUR INSURANCE PROTECTION
FIRE
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CASUALTY

By VINCENT EGAN

Recent complaints against advertising practices of 17 U.S. health and accident insurance companies, by the Federal Trade Commission, are causing prospective insurance buyers to read their application forms more carefully.

Health and accident is one of the fastest growing forms of casualty insurance in Canada. It was unknown about 20 years ago. Today, two of every five Canadians have some form of protection. At the present rate of growth, 50% of the population will be paying health and accident premiums in less than three years.

Under the circumstances, there's bound to be some disappointment when policy claims are made. Like many other documents, insurance contracts are seldom read carefully. But even when the buyer has his eyes wide open, he can't always foresee his needs for protection, and thus determine whether his policy is everything he thinks it is.

Here are four steps in planning a health insurance program, suggested by the Health Insurance Council:

—The costs and losses of sickness or accident should be reviewed. Determine the rates charged by local hospitals and physicians, and the actual weekly amount of income that might be lost. The insurance man and the family doctor can help here.

—The insurance and other similar benefits which would be available in case of sickness or accident should be appraised. This means a careful reading, and questioning, of any existing policies. Are veterans' benefits available? Does the employer provide sick pay? By subtracting existing protection from estimated costs and losses, the family can estimate its unprotected risk.

—The extent to which the family is willing and able to meet this unprotected risk should be estimated. Most people can fall back on regular income and savings, and a portion of these might be budgeted for prospective health expenses. To what extent would the family be willing and able to reduce its regular living expenditures to cover wage loss and medical costs? To what extent will the family have savings available for this purpose? When these questions are answered, another subtraction will indicate the family's unmet needs for health insurance.

—Those unmet needs, if any, should be evaluated in relation to other unmet needs and the family's resources. What amount of health insurance protection can the family afford without sacrificing more urgent necessities? Since no one can ever be fully insured against every contingency, the individual should seek relative rather than absolute protection against the financial hazards of sickness and accident.

"In general, the family protection against health hazards should bear a reasonable relationship to the protection possessed against other insurable financial risks," says the Health Insurance Council. Since not all financial hazards are insurable, it's a good idea to have some general savings as protection against uninsurable risks.

Insurers and Coffee Men Launch Joint Campaign

The automobile insurance industry and the coffee industry have discovered that they share a mutual interest.

The insurance fraternity is supporting a "one for the road" campaign aimed at substituting strong coffee for that last drink offered by hosts.

The All Canada Insurance Federation quotes the Pan-American Coffee Bureau statement that studies at Cornell University have shown that "the number of errors which cause accidents is appreciably reduced when coffee is taken after alcohol." If the coffee has plenty of sugar in it, so much the better.

• • •

Expect Seasonal Peak In Fire Losses

December ushers in the worst season of the year for firefighters, fire insurers, and for thousands of home owners. Highest fire loss totals every year are recorded in the winter months, December to March.

Here are the winter's worst fire hazards, according to the experts:

—Home heating plants. These are hazards in themselves unless clean and in good repair, including their boilers and pipes. By lowering the humidity, they also tend to dry things out.

—Open fires. These often shoot sparks out on rugs and upholstery, unless protected by a sturdy fire screen. Chimneys should be clean and free of cracks, too.

—Portable heaters. If they are electric, they may put a drain on electrical circuits and cause overloading. If they are oil burning, they should be filled outdoors, kept level and away from combustibles such as drapes and furniture. Rooms in which they are used should be adequately ventilated. Gas heaters should be vented to the outdoors.

Tariff On British Woolens Decision Up To Parliament

OTTAWA (Staff) — Increased protection for the woolen textile industry will be a matter for political decision by the Government.

The Tariff Board will not make any clear recommendation on economic grounds. It wasn't asked to; it was asked by Finance Minister Abbot last May to report on the operation of the British Preferential Tariff in respect of Tariff Item 554 B, on the state of the Canadian woolen industry, and on the implications for the Canadian economy of imports of British wool fabrics.

The Tariff Board report is due to be presented to Finance Minister Harris by end of the year. By statute it is then required to be presented to Parliament within 15 days of the opening of the new session, which means it will be public by January 22.

The report will provide the factual background for the Government's decision on whether to increase the duty on British woolen fabrics. It will also provide the basis of the Government's stand in the negotiations which must follow any decision to increase the duty.

At present the tariff item, including the specific 50 cents per pound maximum duty under the B.P. tariff, is among those "bound" under GATT until June, 1955.

Board's Position

The Tariff Board is not bound, like a court of law, to confine its report to the evidence offered in the recent public hearings. The key document in its hands is an audited statement of the financial position of 23 companies making woolen fabrics. Total figures have been published but not the breakdown by firms.

The hearings, did, however, establish a good many causes for the plight of the textile industry besides import competition. The reduced demand of recent years, the trend toward synthetic materials and blends of wool with synthetics, over-expansion of Canadian plants since the war — all these were suggested as contributing causes.

Dr. Ernest Hope, the economist of the Federation of Agriculture, presented remarkably consistent figures to support the theory that Canada's woolen industry had always followed a 2-4 year cycle.

Import competition is likely to appear in the Tariff Board's report as one of the handicaps added to these others which have been hurting the woolen mills. It will be for the Government to determine whether British imports have been so damaging in the over-all picture that they should be curbed.

London Life Passes $3 Billion Mark

Insurance in force with London Life Insurance Co. reached $3 billions during November, it is announced. This figure does not include annuities or amounts reinsured with other companies.

Company's life insurance in force reached $1 billion in 1944, and $2 billions in 1951.

ANNOUNCEMENT

WILLIAM ARTHUR BISHOP

has been appointed Western Manager for Ronalds Advertising Agency Limited, with headquarters in the Petroleum Building, Edmonton. Mr. Bishop has served in Ronalds Montreal Office for the past 8 years, first as copy writer, and latterly as account executive on major accounts. Formerly a reporter on the Windsor Star, he also served in the R.C.A.F. with the rank of Flight Lieutenant.

Bathurst P. & P. Net Up Sharply

MONTREAL (Staff)—Bathurst Power & Paper Co.'s estimated consolidated net profit for the nine months ended Sept. 30 totaled $1,994,002, up a sharp 51.6% from $1,315,071 a year earlier.

Net earnings amounted to $4,685,982 ($3,515,475 in 1953). Depreciation and depletion rose slightly to $875,549 ($867,895), and reserve for taxes climbed to $1,816,431 ($1,332,509).

Operations of Canadian Wirebound Boxes Ltd. will be reflected in consolidated earnings from Oct. 1, it is stated. Bathurst acquired all the common and over 99% of the class A shares of Canadian Wirebound on Nov. 3.

Thinking of a MOBILE SALES UNIT?

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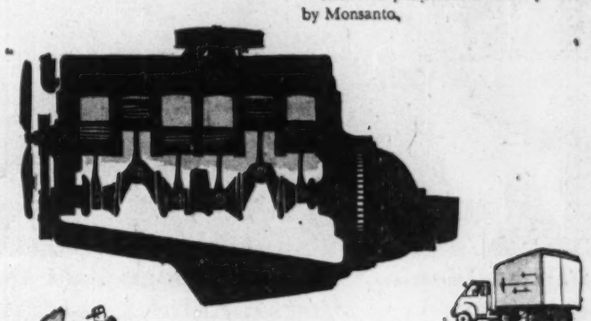

Cleaner engines, reduced corrosion and less sludge formation are some of the qualities contributed by Santolube* additives.

Free-flowing and pourability in cold weather are properties added by Santopour* additives.

Rust formation is greatly retarded when Santolene* C is added to light petroleum products.

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*Trade-mark registered.

Technical service facilities—including consultation with trained Monsanto personnel—are available to refiners and processors. For a dependable source of supply of a wide range of regular and special-purpose additives, look to Monsanto.

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Canadian Builders

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He builds the planes, trains, trucks and cars that carry the bulk of Canadian commerce.

Each revolution of the motors he assembles transforms distance into minutes—makes possible new expansion, new enterprise, new knowledge. His efforts, and the labours of men like him everywhere, keep growth travelling across the steel and concrete arteries of the nation.

This man is the head of a family. And while raising his family through good times and bad, he occasionally needs money help. The present-day consumer finance company frequently answers this need.

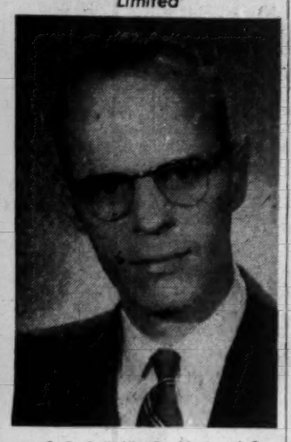
For more than a quarter of a century, Household Finance has provided a sound and intelligent answer to the money problems of millions of people.

Money when you need it HFC HOUSEHOLD FINANCE Corporation of Canada

CANADA'S LARGEST AND MOST RECOMMENDED CONSUMER FINANCE COMPANY

ANNOUNCEMENT

Hudson Motors of Canada Limited



Mr. C. R. Goll, Vice-President and General Manager of Hudson Motors of Canada, Limited announces the appointment of Mr. Fred H. Bell as Advertising and Merchandising Manager of the Company. Mr. Bell brings to his new post broad experience in general advertising and promotional activities, with particular emphasis in the automotive field. The appointment is another step in Hudson's expansion policy to meet the large scale operations planned for their Canadian market.

New Bank Money A Boon To Housing

Banks, Homeowners, Canada, all Winners In Mortgage Scheme

Banks have an important new source of revenue; Canadians have a convenient source of mortgage funds; Canada has more new housing units . . . these are all indicated in operation of the new bank mortgage lending regulations. Here's an account of how things are working out, what the future may hold in housing.

By VINCENT EGAN

The entry of Canadian banks into the mortgage lending field this year is working out more successfully than anyone—particularly the bankers themselves—dared to hope.

The banks have been making government-insured loans on mortgages in earnest for six months. The picture today: The banks have an important and profitable new source of income; homeowners have a new and convenient source of mortgage funds; Canada has substantially more new housing units than it would otherwise have had.

This contrasts with the outlook of most of the bankers about a year ago, when Parliament authorized the chartered banks to participate in a new system of insured mortgage loans. The banks hadn't asked for this permission, and feared that mortgage lending operations would be too costly, that such long-term financing wasn't the type that they were set up to handle, and that they might be cast in a Simon Legree role when mortgagees defaulted.

Instead, the move seems to have been one of the best things that could have happened to the banks.

Bank Rates Attractive

Interest rates were falling in the first part of this year, and then leveled off. But on NHA-approved mortgages, the interest rate is 5½%. The yield to the banks, approximately 5.437%, is therefore fairly attractive in comparison with other investment outlets which are open to the banks.

After July 1, the banks found themselves with substantially more money to put to work. Cash reserves had been maintained at 10% of deposit liabilities up until then, but the revised Bank Act set the new minimum at 8%. This meant that the banks had more millions to invest, just when suitable investments were becoming harder to find.

Administrative difficulties have been minimized by the participation in the scheme of the Crown-owned Central Mortgage & Housing Corp. Canada's 4,000 bank branches simply handle and finance details of the mortgage, while CMHC inspectors do the legwork. After a bank's branch manager has interviewed a mortgage applicant and decided that he is interested, he obtains all his advice on property values, construction progress, etc., from the CHMC inspectors.

Defaults have been negligible so far. Since mortgage loans are government-insured to the extent of 98% of face value, the banks would take limited financial loss in the event of a default.

Until the "National Housing Act, 1954" went into effect March 22, NHA lending took the form of joint financing of mortgages—that is, the Government would put up 25% of the mortgage, the private lender 75%. Peak year for this type of financing was 1950, when 40,338 housing units were financed by joint loans.

Loans On Increase

But this record was toppled in October of this year, and by Oct. 31 approved lenders hade made NHA loans on 43,166 units. That includes 9,338 units approved during the first three months of the year, when the old NHA was in effect.

In dollar terms, this year's 35,919 loans add up to $392,143,638. That's 80% greater than the $175,225,308 total for the first 10 months of last year, when 21,000 loans for 27,752 units were approved.

The increase for the month of October alone is even more striking. In that month, undertakings to insure under the new NHA were issued for 4,046 loans totaling $43,849,755 for 4,678 units. In October, 1953, joint loan approvals numbered 1,647 and totaled $17,362,840 for 2,200 units. Dollar volume this October was 152.5% higher than a year ago.

The banks, of course, are only doing a part of this financing. At Oct. 31, they had loaned about $39 millions on NHA-approved loans; today, the total outstanding would probably be about $55 millions. But these loans represent only a part of the banks' mortgage commitments. By the end of this year, Canadian chartered banks will be committed to about $155 millions in mortgages.

Where Money Comes From

Providing the biggest share of the money for NHA-insured loans are the life insurance companies. Their commitments for the whole of 1954 will total about $275 millions, including some $55 millions committed during the first three months of this year under the old joint-loan arrangement. Trust and loan companies and other NHA-approved lenders will probably ring up another $25 to $30 millions in loan commitments.

Altogether, 50,000 units will probably be financed under NHA in 1954, by all approved lenders. This compares with 32,609 units financed by NHA joint mortgage loans in 1953.

Has this whopping increase been at the expense of conventional mortgage loans? There are no precise statistics available on the level of this year's conventional loans, since they are made by a wide variety of lenders—including pension funds, church endowments, university endowments and private institutions.

But those who are in close touch with both types of mortgage financing are sure that conventional loans are higher this year than last. Nevertheless, the increase of the maximum lending value from $10,000 under the old NHA to $12,800 under the new act undoubtedly means that some houses have been financed under NHA this year which would have required a conventional mortgage loan last year.

Where Money Going

This year's big increase in mortgage lending hasn't been spread evenly across the country. Most of it has been concentrated in Ontario, particularly the Toronto area.

But home builders in smaller communities everywhere have found the banks' entry into the mortgage lending field to be a boon. When the banks entered the mortgage business March 22, every town in Canada that was big enough to have a branch bank immediately found itself with a new source of mortgage loans.

It seems certain that a secondary market in NHA-guaranteed mortgages will develop next year. The banks will be free to sell the mortgages they hold, if they seek a more liquid position.

It's too early yet to estimate the extent of this secondary market. It was not until June that the banks started seriously to make loans on mortgages, and not many of these June starts are completed yet.

Until the house is completed, the loan fully advanced, the lien period expired and the last payment made to the builder, the mortgage isn't marketable.

Within the next month or two, however, a growing number of bank-held mortgages will become marketable. If they wish, the banks could sell these mortgages but continue to administer them for the purchaser at an agreed fee.

Some Questions Yet

Here are some of the question still to be answered:

—Will the banks want to sell? Banks traditionally shun long-term investments, preferring liquidity, but they may decide that the yield of about 5.437% and the scarcity of other investment outlets are sufficient reason to hold the mortgages.

—Will the insurance companies (the likely buyers) want to buy? They, too, have been making mortgage loans at a high rate this year, and might decide that their mortgage portfolios are as full as they wish them to be.

—Will the banks and insurance companies break up the mortgages, as they do municipal debentures? The banks might, for instance, hold the first five years of the mortgage, and sell the insurance companies the remainder.

—Will the banks sell the mortgages to private interests, such as U.S. investment groups which have announced plans to enter the Canadian housing field in search of higher interest rates than those prevailing in the U.S.?

—If the banks sell the mortgages, what price will they set on them? It's probable that bargaining would involve both the price to be paid for the mortgage itself, and the size of the administration fee. (Since the banks would continue to administer the mortgages on behalf of the secondary purchaser, they would ask for a fee from ½% to 1% per annum.)

All the credit for this year's big increase in mortgage lending, of course, doesn't belong to the banks. Even without the change in NHA, mortgage lending would undoubtedly have been higher this year than last.

The Housing Market

Real estate men say that as house prices have stopped rising many prospective purchasers have decided that it's a safe time to buy. Canada's population is growing at the rate of about 3% per annum (vs. about 2% in the U.S.) and is pulling the demand for housing up with it. And about seven of every 10 Canadian buyers of new homes are buying their first new house, compared with about one in four in the U.S.

While demand for new housing remains high in most places, there are soft spots in the housing scene, particularly in cities where strikes and lay-offs have cut incomes. There is also a growing problem for some municipalities, already carrying a heavy debt load, in providing services for new housing construction.

But indications are that the house builders are headed for records next year. If housing starts continue at the present rate, the 1954 total should be about 115,000 units (vs. 105,000 in 1953), with next year's total climbing to 125,000 or 130,000.

Barring any major increase in the general level of interest rates, Canada's banks—once the reluctant dragon of housing—will be involved in mortgage lending next year to an extent no one thought possible at the beginning of this year.

ROYAL BANK OF SCOTLAND
INCORPORATED BY ROYAL CHARTER 1727

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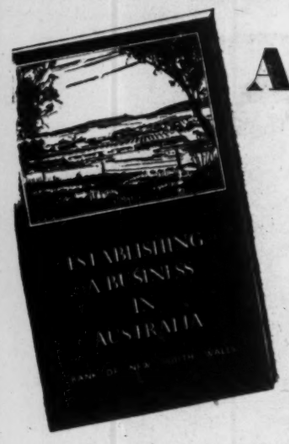
ST. ANDREW SQUARE, EDINBURGH
Branches throughout Scotland and in London
CORRESPONDENTS THROUGHOUT THE WORLD
TOTAL ASSETS
£170,581,433
$474,216,384



Australia
from a business point of view

This booklet will assist anyone contemplating establishing a business in Australia, whether it is a small retail business or a large manufacturing company.

Written with the authority of Australia's oldest and largest joint-stock bank, it offers those who wish to start a new enterprise in that young but growing country a short account of the framework of business organization throughout the Commonwealth of Australia. It also affords some knowledge of the problems and conditions which would be met.

If you are interested in establishing a business in Australia, write for a free copy of this book to:

BANK OF NEW SOUTH WALES
BRITISH & FOREIGN DEPARTMENT, SYDNEY, AUSTRALIA
R. J. Neal Blackwell, Manager

Jim: I got a honey of a Stock Market tip today, Pete. My barber picks up lots of inside stuff from customers, you know. He tells me Algom Uranium is a real good stock right now.

Pete: It is, eh? To buy, sell or hold?

Jim: Why, come to think of it, the barber didn't tell me!

Pete: Kind of important, don't you think? Look, Jim, I got the story on Algom Uranium last March when I bought at $3.25—but I did **not** hear it from my barber. It is quoted at $12.00 now, and I'm still holding, on advice.

Jim: That's wonderful! But where can you get advice like that?

Pete: I'm glad you said "advice," and not "tips." Long since, I subscribed to the CO-ORDINATOR Investment Service. They're no "crystal-ball" forecasters, they don't cater to the "get-quick-rich" boys, and they have no stocks to sell. Because they really analyze the market, from more sources than you and I could ever attempt to do, their analyses are amazingly correct—in fact, not one major error in over 17 years.

Jim: Wow! But I suppose, if they're that good, they're **expensive!**

Pete: Read the coupon below, old boy—and then **act** on it.

FP-48-54
THE CO-ORDINATOR, 21 King Street East, Toronto, Ontario
Please send me a 4-week Trial Subscription for which I enclose $3.00.
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ADDRESS .....

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W. L. BALLENTINE COMPANY LTD.
380 Fleet St. W., Toronto
EM. 6-5244
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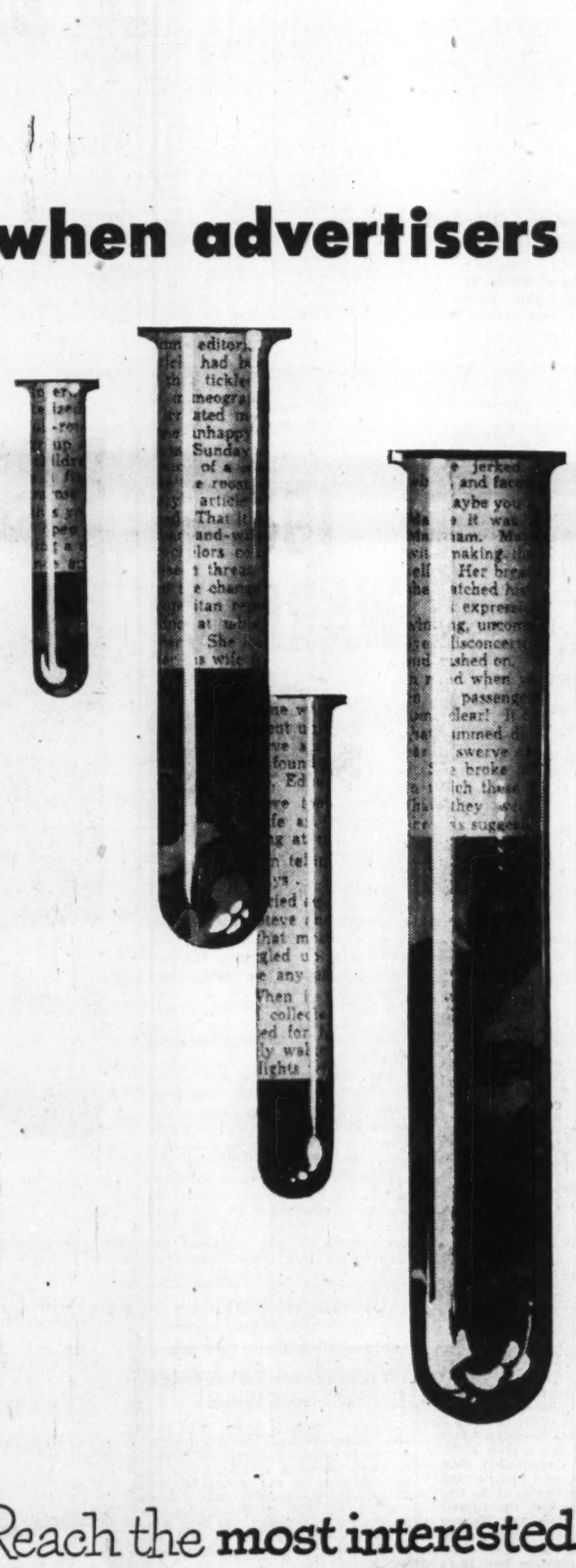
LONDON Tel: 7-8311
TIMMINS Tel.: 975
SAULT STE. MARIE Tel.: AL. 3-2371
BRANCHES

ANNOUNCEMENT

PERSONAL FINANCE CO. OF CANADA APPOINTMENTS

A. K. WILHELM — E. J. McKAY — R. BEATTY

Mr. Charles H. Watts, President of Personal Finance Company of Canada, takes pleasure in announcing recent executive appointments due to continued expansion of the Company. They are Mr. A. K. Wilhelm, Field Supervisor; Mr. E. J. McKay, Field Supervisor; and Mr. Randall Beatty, Field Supervisor. Mr. Wilhelm and Mr. Beatty will make their headquarters in Toronto. Mr. McKay will make his headquarters in Calgary.



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The Star Weekly

leads in results

Check and compare the number of "couponed" and "keyed" advertisements that appear in the Star Weekly regularly. Claude C. Hopkins, testing pioneer and noted author of "Scientific Advertising" used to point out that it stood to reason, people who coupon their advertisements insert them in the publications that "pull" the best results.

The reason so many advertisers report "lowest-cost-per-inquiry" when they run couponed advertisements in the Star Weekly is explained by the *higher reader interest* of the Star Weekly audience.

This interest is proved and proved again *every* week! Week after week over 900,000 Canadians *pay cash* at the stores or to the carrier boy for the Star Weekly . . . because they want to READ it. 99.4% of the Star Weekly's A.B.C.-audited circulation is on this basis . . . only 0.6% is by subscription. [Could there by any more revealing test of audience interest for *your* sales message in Canada?

Reach the **most interested** Big audience in Canada through The STAR WEEKLY

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Montreal Advertising Office: University Tower
U.S. Representatives: Ward-Griffith Company Inc.

ANNOUNCEMENT

FRY-CADBURY APPOINTMENTS

J. E. B. GREEVES R. W. MASURET

It is announced that, in addition to his present position as Vice-President and Chairman of the Board of Fry-Cadbury Ltd., J. E. Brian Greeves will assume Direction of Sales for Canada, effective immediately.

Robert W. Masuret, who has been associated with the Company's sales organization for many years in an executive capacity, has been appointed to the position of General Sales Manager.

12,700-Ton Ship On Kitimat Run

MONTREAL (Staff) — The largest ocean-going freighter ever built in Canada sailed out of Quebec City on her maiden voyage this week to load aluminum oxide in Jamaica.

The S.S. Sunrip, built for Sun Steamships Ltd. by Davie Shipbuilding, Lauzon, Que., is under long-term charter to Saguenay Terminals Ltd., the shipping arm of the Aluminum Co. of Canada. It is the first vessel specially constructed for aluminum ore trade.

The 12,700-ton ship will run to Kitimat from Jamaica, carrying flour, grain, lumber and fish from B. C. to U. S. gulf ports on her return trip.

from hallicrafters

a single, low-cost Hi-Fi unit

THE VIRTUOSO is Hallicrafters' new, complete Hi-Fidelity home phonograph. Dual speaker system (woofer and tweeter), 3-speed changer, five-position recording studio compensator, with separate bass and treble controls. Hand-rubbed mahogany or blond finish — wrought iron legs or mobile Musicart.

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ELECTRIC

can serve your needs better!

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A complete line of pole line hardware, tools and materials for construction and maintenance, plus wires and cables for every communication need, with hundreds of items in stock. It will pay you to make Automatic Electric your supplies headquarters.

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5422

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Iron, Steel

CANADIAN CAR & FOUNDRY CO. consolidated net profit for the fiscal year ended Sept. 30, 1954, amounted to $3,044,364, 37.2% higher than consolidated net of previous fiscal year of $2,219,247.

Passenger car production for the year was at record volume, says President E. J. Cosford, and although delivery and specifications were demanding, they were satisfactorily met. Two passenger cars and 28 freight cars were produced every day. Passenger and freight cars of several types were delivered to Canadian railways.

Foundry operations were in satisfactory volume, and the defense program for aircraft and shells was well maintained, reports the president.

On completion of Harvard trainers for Canada and the U. S., deliveries were immediately begun on the T-34 trainer which, with the tooling and development of major components on the S2F Grumman aircraft, are currently in progress.

Arrangements have recently been completed with North American Aviation Corp. whereby production of Harvards and spare parts for world demand (excluding U. S.) will be undertaken by the company.

Production of buses and trackless trolleys was higher and this operation continues to serve the major transit companies in Canada, says the president.

Capital expenditures amounted to $3,029,067, most of which was spent on the Longue Pointe plant modernization. Mr. Cosford points out that the continuous augmentation and replacement of equipment is necessary to offset the rising cost of production.

During the year the Pointe St. Charles plant was sold. Book value of the plant and equipment fully recovered in the sale.

Compared with unusually large orders last year, no orders are on hand for passenger cars this year, continues Mr. Cosford, and the backlog of incompleted work is substantially lower than at this time last year. Some progress is being made in the export field, but relatively high cost of material and labor in Canada makes it increasingly difficult to compete in world markets.

The agency of Canadian Car & Foundry Co. received further payments during the year on the mixed claims commission award amounting to $556,893, less expenses. Active representations continue to be made for payment on the substantial amount due, says the president.

Annual meeting is Dec. 17, 1954.

CONS. INCOME ACCOUNT

Years Ended Sept. 30:	1954	1953
Net earnings	$6,966,236	$5,599,633
Add: Other inc.	680,393	123,500
Less: Deprec.	1,739,741	1,382,695
Prov. for taxes	2,947,000	2,200,000
Add: Prof. on sale cap assets	104,476	87,809
Net profit	3,044,364	2,219,247
Less: Cl. A divd.	399,035	400,000
Com. divd.	366,725	292,640
Surplus for year	2,278,584	1,526,609
Earnings per Share and Dividend Record:		
Class A	*$8.22	*$5.55
Paid	1.00	1.00
Ordinary	*7.14	*4.97
Paid	0.80+0.20	0.80
Class A & Ord. (Combined)	4.11	2.90

*Earnings on net profit exclusive of profit on sale of capital assets would be $7.94 on Class A and $6.86 on ordinary in 1954, $5.33 and $4.73, respectively, in 1953.

CONDENSED CONS. BALANCE SHEET

As at Sept. 30:	1954	1953
Cash	$6,720,399	$262,632
Accts., etc., rec.	2,971,592	5,594,363
Inventories†	10,394,424	16,106,453
Total curr. assets	20,086,415	21,963,448
Prep. exp., etc.‡	188,839	264,446
Def. assets	1,093,602	373,355
Investments	850,000	850,000
Fixed assets*	15,328,262	15,105,706
Total assets	37,547,408	38,556,955
Bank loan	.....	1,662,000
Accts. & tax. pay.	6,498,367	7,535,233
Div. pay.	74,078	.....
Total curr. liab.	6,572,445	9,197,233
Capital stock	16,645,000	17,145,800
Capital surplus	500,000	.....
Surplus	13,829,963	12,214,722
*After deprec. of	14,578,203	16,550,609
†After reserve of	1,000,000	1,200,000
‡Incl. in curr. assets in Co's report.		
Working capital	13,513,970	12,766,215

DIVIDEND NOTICES

MERSEY PAPER COMPANY LIMITED

DIVIDEND NO. 15
COMMON STOCK

NOTICE IS HEREBY GIVEN that a dividend of One Dollar ($1.00) per share has been declared on the outstanding Common stock of the Company payable on the 20th day of December, 1954, to shareholders of record as at the close of business on the 11th day of December, 1954.

By Order of the Board.
J. A. PARKER,
Secretary.

Liverpool, N.S.,
November 24th, 1954.

CANADIAN BREWERIES LIMITED

DIVIDEND NOTICE

Notice is hereby given that the Board of Directors has declared a quarterly dividend of thirty-one and one-quarter cents (31¼c) per share on the capital stock of this Company, payable on and after January 3, 1955, to shareholders of record at the close of business on December 8, 1954.

By Order of the Board.
W. E. DREWRY,
Secretary.

November 29, 1954.

MERSEY PAPER COMPANY LIMITED

DIVIDEND NO. 10
PREFERENCE STOCK

NOTICE IS HEREBY GIVEN that a quarterly dividend of One Dollar and Twenty-five Cents ($1.25) per share has been declared on the outstanding Preference stock of the Company payable on the 3rd day of January, 1955, to shareholders of record as at the close of business on the 11th day of December, 1954.

By Order of the Board.
J. A. PARKER,
Secretary.

Liverpool, N.S.,
November 24th, 1954.

MONTREAL LOCOMOTIVE WORKS, LIMITED

DIVIDEND NO. 35

A regular quarterly dividend of twenty-five cents (25c) per share on the Common Stock of this Company has been declared payable January 3rd, 1955 to shareholders of record at the close of business on December 14th, 1954.

Transfer books will not be closed.

WILLIAM J. NILES,
Secretary.

November 26, 1954.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

The Board of Directors has declared the following dividend:

No par value Common Stock

No. 102. Quarterly 15c. per share, payable January 25th, 1955, to shareholders of record at the close of business on December 20th, 1954.

V. J. NIXON,
Secretary.

Montreal, November 23rd, 1954.

NOTICE

BEAUBRAN CORPORATION

NOTICE TO HOLDERS OF BEARER SHARE WARRANTS

NOTICE is hereby given that pursuant to Supplementary Letters Patent dated November 18, 1954, each Class "A" and Class "B" share of the capital stock of Beaubran Corporation then outstanding is now represented by 25 ordinary shares of the par value of $1 each of the capital stock of said Company. Bearer share warrants representing said Class "A" and Class "B" shares, with coupons Nos. 10 to 20 both inclusive attached, and accompanied by a duly completed letter of transmittal, should therefore be surrendered on or after December 6, 1954, to The Royal Trust Company, 179 Queen Street, Charlottetown, Prince Edward Island, Canada, for exchange into bearer share warrants representing the appropriate number of said ordinary shares.

It is suggested that the exchange be made promptly as subsequent dividends in respect of shares represented by bearer share warrants will be paid only against surrender of coupons attached to the warrants representing the ordinary shares.

Copies of the letter of transmittal may be obtained at said office of The Royal Trust Company.

DATED this 22nd day of November, 1954.

R. T. BROADHURST,
Secretary.

— Advertisement —

1955 WARNING

From THE WALL STREET JOURNAL

In 1955, you will need to keep up to the minute on news affecting your future and the future of your business.

Because the reports in The Wall Street Journal come to you DAILY, you get the fastest possible warning of any new trend that may affect your business and personal income. You get the facts in time to take whatever steps are needed to protect your interests, or to seize quickly a new profit-making opportunity. You are promptly and reliably informed on every major new development relating to: Prices, Taxes, Consumer Buying, Government Spending, Inventories, Financing, Production Trends, Commodities, Securities, Marketing and New Legislation.

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DIVIDEND NOTICES

THE SHERWIN-WILLIAMS COMPANY of Canada, Limited

Notice is hereby given that the one hundred and seventy-fourth quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum, for the quarter ending November 30, 1954, on the Preferred Stock of the Company, has been declared payable January 3, 1955, to shareholders of record December 10, 1954.

By Order of the Board.
P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Que.,
November 11, 1954.

GYPSUM, LIME AND ALABASTINE, Canada, Limited

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of sixty cents (60c) per share has been declared and will be paid to shareholders of record at the close of business February 1, 1955, payable March 1, 1955, and that a quarterly dividend of sixty cents (60c) per share has been declared and will be paid to shareholders of record at the close of business May 2, 1955, payable June 1, 1955.

By Order of the Board.
K. P. HAYES,
Secretary-Treasurer.

Paris, Ontario
November 24, 1954.

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For interior or exterior use...

EASY TO NAIL, SAW... FITS CURVED SURFACES

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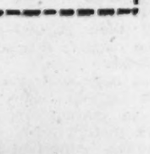
The asbestos-cement board that answers a thousand building needs

Flexboard is probably the most all-round satisfactory building board yet developed. It is light but tough. Flexible, it can be applied over moderately curved as well as flat surfaces. Flexboard can't burn, rot, rust or corrode. Moisture does not affect it. In its natural stone-gray color Flexboard presents a pleasing appearance. It never needs painting for preservation but is easily painted when color is desired. In new construction and remodelling, Flexboard may be used for countless purposes, in all types of buildings, indoors or out. Flexboard is also adaptable to many fabrication purposes and manufacturers report favorably on its economy and consumer acceptance.

FREE FLEXBOARD BROCHURE

Send for this free manual which shows uses of J-M Flexboard for industry, home and farm. Write Canadian Johns-Manville, Dept. 4154, 199 Bay Street, Toronto.



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Johns-Manville

Building Materials Insulations Packings and Gaskets
Friction Materials Transite Pipe Acoustical Materials

B-118

More Loblaw Growth Ahead

Loblaw Groceterias has opened eight large supermarkets and enlarged five existing markets since May 29. Several more markets are due to be opened this year.

This was the expansion news given to shareholders at the company's annual meeting by President George C. Metcalf. He said the company's modernization and expansion program is being vigorously pursued. Fifteen more stores are in the planning and drawing board stages.

Sales this year so far are well ahead of last year, reported Mr. Metcalf, and future prospects for the food industry are "very favorable."

Sales should be maintained at a high level due to increasing population and abundant food supplies. (To date, Canadian chains are 12.5% ahead of 1953, U. S. chains 8% up.)

The president said that "we are just on the threshold of substantial development in this relatively new way of doing business"—referring to the tremendous growth of shopping centres. Loblaw Groceterias has supermarkets in nine shopping centres—five in Toronto and four in Ontario. Fifteen more are under construction, of which six will be in the Toronto area.

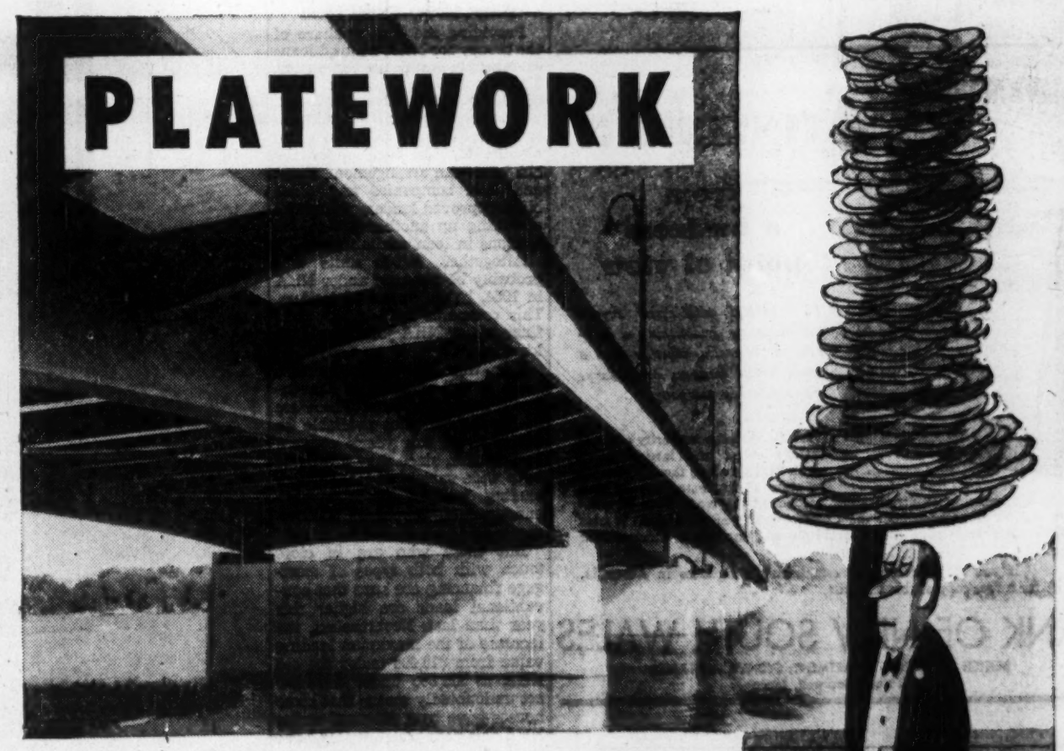
Pipeline To Tap Smiley Oilfield

Mid-Saskatchewan Pipe Lines Ltd. has started construction of a gathering system at the Smiley oilfield in Saskatchewan.

A 24.4-mile transmission line will also be built from the field to the Kerrobert pump station of the Interprovincial Pipeline Co.

It is expected that the project will go into operation before the end of the year.

PLATEWORK

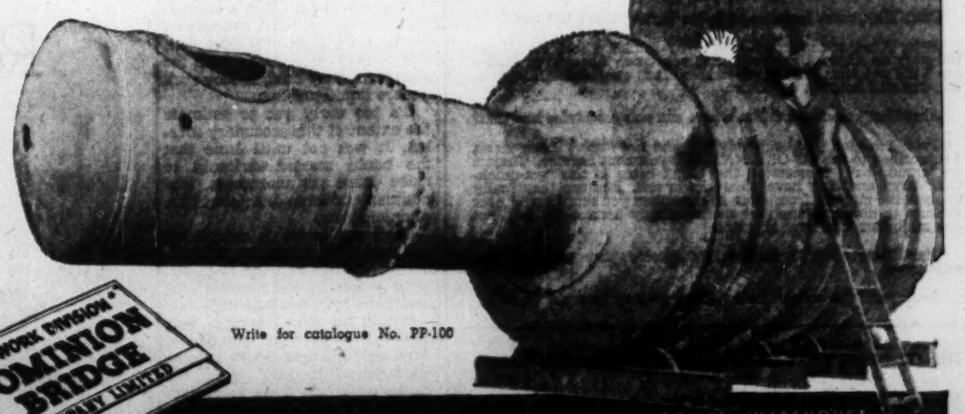


There is more than one kind of platework!

Two of the three illustrations represent examples of *steel* platework . . . completely fabricated by welding, with techniques pioneered in Canada by Dominion Bridge. By continuous research and development, the Company has maintained a premier position in the welding industry.

Any of our 13 plants stands ready to solve *your* platework problems—large or small.

ILLUSTRATED: *Above: Coatinuous welded girder bridge, believed to be the longest of its type in the world. Below: Secondary flash tower for oil refinery.*



Write for catalogue No. PP-100

PLATEWORK DIVISION DOMINION BRIDGE COMPANY LIMITED

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Assoc. Company plants at: AMHERST, N.S., QUEBEC, SAULT STE. MARIE, EDMONTON

ANNOUNCEMENT

WILFRED R. CARTER

The appointment of Wilfred R. Carter to the Hamilton Advisory Board of The Huron & Erie Mortgage Corporation and The Canada Trust Company has been announced by M. Aylsworth, president and general manager of these companies.

Mr. Carter is president of Carters Ltd., Wentworth Motors Co. Ltd., Carters (London Ltd.), Carter Welding Supplies Ltd., Campbell Leasing Co. Ltd., Replacement Unit Co. of Canada Ltd. and Regent Acceptance Corporation Ltd.

BRITISH COLUMBIA POWER CORP. issued an additional 150 common shares at $16.025 per share to certain officials of the company and its subsidiaries. There are 3,167,460 shares outstanding.

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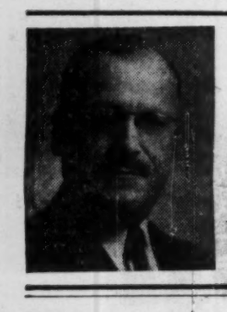

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LETTER FROM LONDON

By Adelphi

LONDON—No one in London will say that the year 1954 is moving calmly to its end. The trees are leafless, the mists are rising, and winter is waiting in the wings, but there is as much pageantry, politics and controversy as if it were the merry month of June.

The Queen Mother was given a particularly warm welcome. Since the family is the unit on which a nation exists, we rejoice at our good fortune with the present Royal Family. There is a youthfulness of spirit that extends from the Queen Mother to the Queen and Prince Philip right through to the little Prince and Princess.

The position of Queen Mother is not normally an easy one. Either she interferes too much or simply disappears from view. But this one is different. No one could be less like the conventional mother-in-law. It is probably her youthfulness of spirit which makes her such a favorite with her grandchildren, Charles and Anne.

• • •

Why, Oh Why, Did Winnie Say It?

However, not even the Royal Family can dim the glory of that grand old actor Winston Churchill who holds the centre of the stage. But unhappily he has spoken lines which were not in his script and there is a Dickens of a row going on. Even Auntie Times (the disrespectful nickname given to The Thunderer) has rapped him sharply across the knuckles.

There is no doubt that Churchill in the hour of victory over Hitler, saw not only the ultimate but the immediate threat of Russia. Therefore, it was shrewd of him to give orders to his generals to stock, and not destroy, the German guns in case we would have to rearm the Germans to prevent a Russian march across Europe to Paris.

But why make it public now? One can understand the strain and fatigue of Churchill's life with all the extra hullabaloo about his birthday, but such a wise old bird ought to know when to chirp and when to keep quiet. The Times so far abandons its traditional dignity that it opens its editorial with the sentence: "What on earth made him say it?" And the heading on the editorial is the one word "Why?"

• • •

Angry Socialists Rightly Vote Wrong

However, Churchill's troubles are nothing compared with Attlee's, and strangely enough Germany is also the cause of them.

I do not know the procedure in the Canadian House, but over here the parties issue daily instructions to their members in the form of whips. A one-line whip means that you can turn up if you have nothing better to do. A two-line whip tells you to be there unless there is something very important to keep you away, a three-line whip means that you must attend, even if you come on a stretcher, and that you must vote as the whips command.

That is quite normal and sensible. But for the debate on German rearmament, Mr. Attlee issued a three line whip to the effect that his followers must turn up and not vote at all. Like the Levite, they were to cross to the other side of the road.

Admittedly an MP has two alternatives—to vote "yes" or "no." If he cannot conscientiously support his own side he may abstain, and the decision must be his. But for party whips to issue an order that their MP's must not vote either way is carrying discipline too far. That is why seven Socialists defied their leaders and voted against the government's proposals.

Mr. Attlee now finds himself in the awkward position of having to discipline duly elected socialist MP's for having voted against the Conservative government. As Shakespeare observed: "This is indeed hot ice."

• • •

For Mr. Attlee: Dumb Resignation

Yet there is no sign of any "Attlee must go!" campaign. Instead, there is a sort of dumb resignation in the Socialist ranks. There is almost certain to be a General Election in May and unless a miracle occurs the Tories will have a substantial win.

• • •

His Chinese honeymoon has also recoiled somewhat on Mr. Attlee's head. The Peking sentences on 11 captured members of the U. S. Air Force, as well as two American civilians, for alleged espionage has not only infuriated America but caused much indignation and apprehension over there. If it is still true that those whom the gods would destroy they first make mad, then the Chinese are heading for trouble.

• • •

Enter The Ghost Of Lloyd George

Truly the Western statesman of the present era might well say that a day in which only one crisis occurs is like having a day off. Even when statesmen are dead they are not allowed peace on earth. Frank Owen's remarkable autobiography of the great Lloyd George, just published, has once more sent the newspapers discussing the bigness and the littleness of that amazing, dynamic figure.

Lord Beaverbrook acquired the private papers of Ll.G. and commissioned the brilliant Frank Owen, ex-Liberal MP and ex-Beaverbrook editor, to write the biography. Owen took more than three years to complete the job but the result is worth it.

Certainly Lloyd George was a great man. Not only was he the spirit of victory in the 1914-18 war but his impact on the political and social life of Britain was enormous. That he had defects of character is painfully apparent, but no man can be great for 24 hours a day, otherwise no one could live with him.

• • •

Much Blessed Is He Spared a Biographer

In fact as I look over these words that I have written today for The Financial Post there seems something to be said for the normal man who is not known outside his business associates and the community in which he lives. He is not immortalized in the annals of history, but at least he escapes the posthumous verdict of the biographer.

• • •

Bea Lillie Captures Old London Again

However in London we momentarily forgot all these affairs of state and political ferment when that ex-Torontonian Beatrice Lillie had a brilliant first night and a rapturous reception when she opened a season this week at the Globe Theatre. The evergreen Lillie is a great draw but the critics this time were more kindly than enthusiastic.

Miss Lillie made the mistake of taking on as her stage partner a gifted undergraduate who had made a comedy hit in the annual Cambridge Revue which traditionally plays a fortnight in London after its local season.

But it is one thing to be a success as an undergraduate comedian, and quite another when you become a professional. Which reminds me of the old definition: "A professional actor is a man who can give a good performance even when he does not feel like it. An amateur actor is a man who cannot give a good performance even when he does feel like it."

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Milling and Grain

TORONTO ELEVATORS LTD. consolidated net profit of $395,157 for the fiscal year ended July 31, 1954, was 10.9% lower than previous fiscal year's net of $443,157.

Because of the record grain crop and smaller exports in 1953, Canada had a very substantial carryover of all grains as at July 31, 1954, reports President J. D. Leitch. This should be beneficial to the operations of the company's grain elevators at Toronto and Sarnia for the coming year, Mr. Leitch says.

Poultry and livestock production increased in volume, and the company showed an increase in volume of feed sales over the previous year. Primary producers of vegetable oils in Canada experienced a difficult year. The present outlook for them, says Mr. Leitch, appears to be somewhat more encouraging.

CONDENSED CONS. BALANCE SHEET

As at July 31:	1954	1953
Cash	$507,053	$685,731
Accts., etc., rec.	3,139,598	2,809,700
Cont. sales for fut. del.	3,686,085	3,967,676
Life ins., c.s.v.	.....	98,000
Inventories	10,864,880	5,131,771
Total curr. assets	18,197,616	12,692,918
Misc. assets	140,990	113,344
Fixed assets*	5,645,244	5,969,067
Prepaid expenses†	169,860	235,509
Total assets	24,153,710	19,016,338
Accts. & tax. pay.	3,148,079	2,938,611
Bank loans	10,212,523	5,301,300
Bonds due	495,000	245,000
Total curr. liab.	13,855,602	8,484,911
Deferred credit	163,500	.....
Funded debt	5,455,000	5,950,000
Capital stock	1,323,262	1,323,262
Surplus	3,456,346	3,258,165
*After depr. of	4,863,423	4,191,975

†Included in curr. assets in co's report. ‡Tax reductions, to be brought into income in future years.

Note—Conting., liabilities and commitments as at July 31, 1954, $199,262.

Working capital	4,342,014	4,208,007

CONS. INCOME ACCOUNT

Years Ended July 31:	1954	1953
Net earnings	$1,716,343	$1,573,871
Less: Deprec.	707,186	551,462
Interest	237,500	133,658
Income tax res.	376,500	445,400
Net profit*	395,157	443,351
Less: Com. divds.	198,162	198,162
Surplus for year	196,995	245,189

*The company's reports show net profit of $396,343 in 1954, $495,962 in 1953, including profit on disposal of assets.

Times Bond Interest Earned:		
Before deprec.	7.23	11.78
After deprec.	4.25	7.65
Earnings per Share and Dividend Record:		
Common	$1.60	1.79
Paid	0.80	0.80

Note—1954 accounts include accelerated depreciation of $146,084 resulting in reducing the net profit by $74,503 (30 cents per share).

NOTICE

Notice is hereby given that Certificate of Registry No. C 1527 dated October 25, 1954, has been issued to the Affiliated F M Insurance Company, authorizing it to transact in Canada the business of FIRE INSURANCE, INLAND TRANSPORTATION INSURANCE, THEFT INSURANCE and, in addition thereto, CIVIL COMMOTION INSURANCE, EARTHQUAKE INSURANCE, FALLING AIRCRAFT INSURANCE, HAIL INSURANCE, IMPACT BY VEHICLES INSURANCE, LIMITED OR INHERENT EXPLOSION INSURANCE, SPRINKLER LEAKAGE INSURANCE, WATER DAMAGE INSURANCE, WEATHER INSURANCE and WINDSTORM INSURANCE, limited to the insurance of the same property as is insured under a policy of Fire insurance of the Company.

F. L. CROSSMAN,
Secretary.

James P. McD. Costigan,
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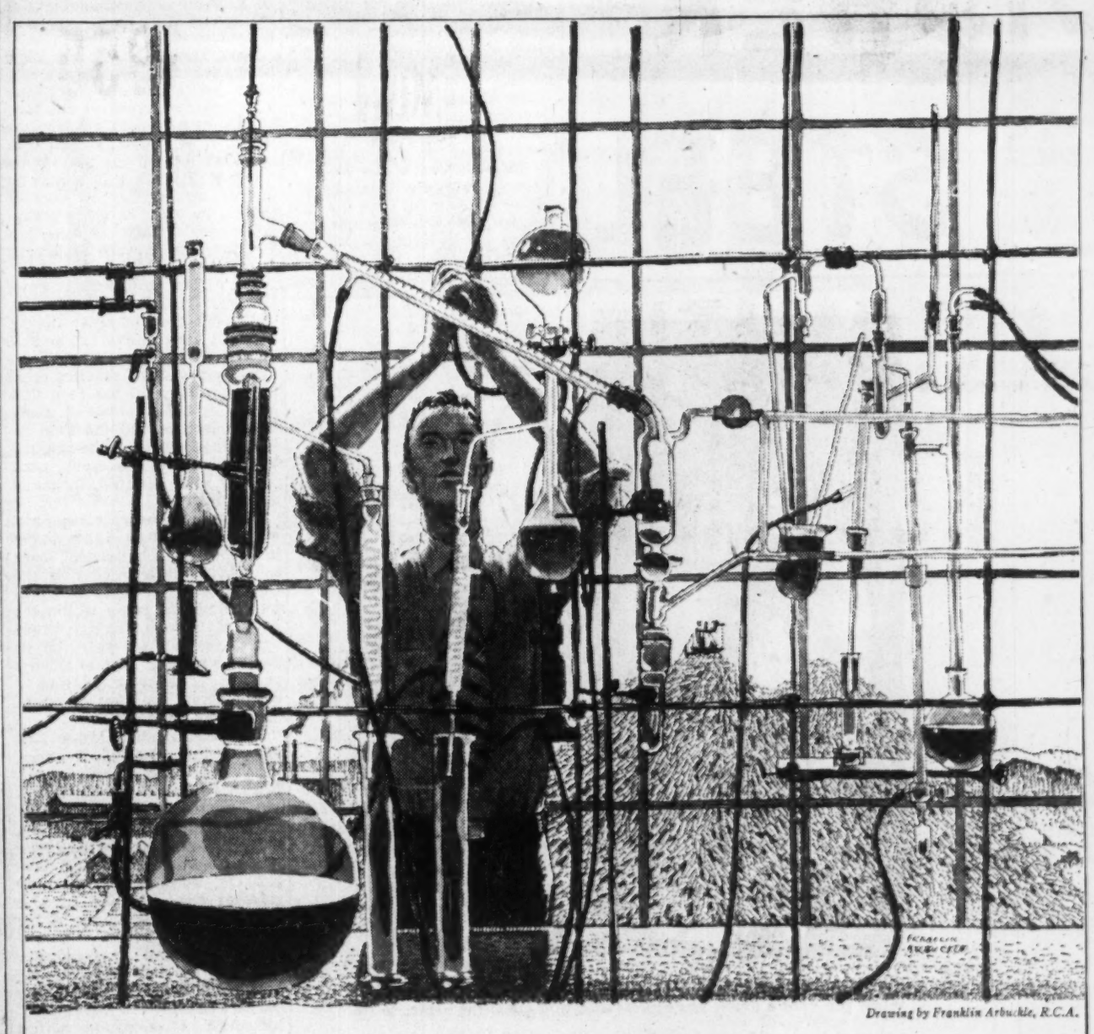

Drawing by Franklin Arbuckle, R.C.A.

Search for Secrets

Wood is one of the most complex substances known to man. Science has made it the raw material of a vast range of products including paper, textiles, alcohol, explosives, turpentine, photofilm, sponges, and plastics. And the search for the secrets of wood goes on.

The leader in this search is the pulp and paper industry. It supports great research programs. Yet pulp and paper's activities are not confined to its own immediate interests. While individual mills direct most of their research to improving their products and to developing new ones, many have also made significant contributions to scientific progress in general. And much of the work of the Pulp and Paper Research Institute of Canada is of a fundamental character, serving the broad interests of science and society, not only at home, but throughout the world.

From this bank of knowledge, being built up at great cost, come developments benefitting the forests, mills, and products of this industry and stimulating the progress of many other enterprises. Pulp and paper's research ensures a fuller and a richer life for all Canadians.

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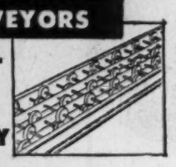
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What's New

New Products, Applications and Ideas Gathered from World-Wide Sources or Made in Canada for the First Time

YOU ARE INVITED to publicise your new products in this column. Write, Editor, What's New, The Financial Post, 481 University Ave., Toronto 2, Canada.

Collapsible Camp

For camping holidays, here's a folding trailer that can be erected by one person in a few minutes, and wheeled like a handcart into places where towing is impossible. Yet it will comfortably accommodate two people. Weighs 215 lb., and when folded it's only 2 ft. 3 in. wide by 2 ft. 10½ in. high. Opened up it's 6 ft. 3 in. high and contains two 6½ ft. canvas berths with locker space beneath, and a folding table. Floor space between the berths is 7 ft. by 2 ft. 3 in. Construction is of ash timber and hardboard, with canvas roofing.

• • •

For Better Breathing

Efficient humidifier for offices and homes heated by hot water or steam systems will evaporate up to fifteen gal. of water per day, is quiet in operation and can be easily cleaned. Washes, purifies and circulates the air which it humidifies. Provides healthy conditions for winter indoor living. Supplies quiet, cool ventilation in summertime.

• • •

Dry Wash

Hand cleaner, ideal for use by office personnel, is a chemical foam type of dry cleaner. Will quickly remove stains from ink, carbon paper, typewriter ribbons, grease, oil and many dyes. A small amount released on the hands from an aerosol container, rubbed in, then wiped dry will clean them without roughening, reddening or burning. Contains a generous amount of Lanolin. May also be used to clean machine cases and other painted surfaces, and still no water's needed. Won't harden or deteriorate, it's claimed.

• • •

Ghostly Answer

A simple telephone call can automatically give the water level at a distant reservoir. New audible liquid level recorder consists of a telephone attached to a relay instrument, a recorder in the form of a chart which is installed at the water level in question and accumulators. When a phone call is made to the reservoir, the receiver there is lifted automatically and the water level is indicated by "rings" for feet and "buzzes" for inches.

• • •

Set For Comfy Climate

Three-way thermostat combines the advantages of three common forms of building heat control. Responds instantly to variations in outdoor or indoor temperatures and circulating air (or water) temperature. Low in cost, easy to install and easy to reset, it is said to be sensitive to even a fraction of a degree of temperature change. Will compensate for sun, wind, body heat or heat of cooking, raises indoor temperature as outdoor temperature drops (or vice versa), averages the heat supply to satisfy "coldest room" requirements, distributes equal heat flow to all registers or radiators, etc.

• • •

Hardy, Two-Heat, Heater

Automatic gas and electric water heaters consist of solid, prescription-built aluminum alloy tanks. Designed to prevent red tank rust, they will sell at prices comparable with enamel-lined tanks. May be equipped for two-temperature operation to provide 180 deg. extra-hot water needed to maintain 160 deg. or higher tub temperatures in automatic clothes-washers and dish-washers, as well as tap-safe 125 deg. water for bath, sink and other general use outlets. Said to be capable of matching critical quantity requirements of modern residential automatic clothes-washer and dish-washer.

Shrub Shave

British mechanical hedgecutter consists basically of a lightweight reciprocating knife driven pneumatically by an air compressor. Has an over-all length of 62 in., weighs 8¼ lb., and comes equipped with a 60 ft. length of pressure hose. Can be handled by a single operator and used anywhere within the limits of the pressure hosing. Available in two models: One with a 3 in. saw section on the blade and the other with a 5 in. saw section for cutting thicker growth of up to 6 in. diameter.

• • •

Basket Brush

Motor-driven revolving brush for high speed cleaning of wastebaskets is capable of scrubbing 200 baskets an hour.

• • •

Fountain Drafting Pen

Draftsman's pen may be filled like a regular fountain pen. Ink cartridge is built into the shaft, and to refill you merely push the button at the top. Said to hold the equivalent of 55,000 in. of ruled lines — or 132 trips to the ink bottle.

• • •

Stop - Go

New adjustable traffic signal is designed to reduce breakage and improve optical efficiency. Cuts down "sun-phantom," a condition whereby reflection from the sun causes a signal unit to appear lighted. Is equipped with a completely redesigned optical assembly, consisting of a socket and lens, and precision-formed, anodized-aluminum reflector.

Generous Moose Jaw Loans Are Magnets To New Industry

Moose Jaw hopes to have 250 new jobs within three years as a result of the latest project of its imaginative and sometimes rather unconservative Industrialization Fund.

The new industry now employs 85 local people, manufacturing men's work pants, dress slacks and jackets. They shut down the machinery recently for a tour and official opening do by local and provincial VIPs.

The optimistic forecast of employment is that of the company, CanaDay's Apparel Ltd. The local industrial fund committee induced the owners, Day's Tailor'd Clothing Inc., of Tacoma, Wash., to start the new factory in the spring of 1953.

The industry and the fund are illustrations of one method of bringing new industry to areas where industrial opportunities are not numerous and capital is scarce.

The Alberta and Saskatchewan Governments also have funds that loan to new industries, but Moose Jaw believes its plan is unique on the local level in the West.

Moose Jaw sold its municipal electric light plant back in 1930 and later used the cash to pay arrears on its debts, which ran on for years after, and for relief. It also got a clause in the sale agreement providing for a loan fund for industrialization.

Iowa Southern Utilities, which still operates at Moose Jaw, the only privately owned power company in Saskatchewan, National Light & Power, paid $2.9 millions for the power system. A fund of $150,000 was set up to loan to new industry and business, or by or through ventures to promote the City of Moose Jaw industrially.

Mayor Is Chairman

Four men administer the fund, two appointed by the city and two by the power company. Mayor Lewis H. Lewry has been chairman of the fund committee for five years; Ald. Ben Moore also represents the city. President H. F. Berry of National Light & Power and H. F. Keith, represent the company.

From 1930 to 1954, many loans have been made, usually at a rate of 5% interest, for no longer than a five-year repayment term. Half of the money required for the new industry for operations (not operating capital) is put up by the fund. The other 50% must be put up by industry by way of machinery, cash or other realizable assets. Security is usually a first mortgage on such equipment or other assets.

Most loans have been successful, says Fund Chairman Lewry, "Although the committee during my own time and prior to that have made 'bad' investments and some losses have resulted. But the over-all result has been that Moose Jaw has obtained many new industries and the fund itself has grown from the original $150,000 to the present fund totaling some $260,000, including all assets."

One loan on which a large loss was sustained was an investment in a local swimming pool, built as a relief measure during the '30s. An ice rink was another project defined as being within the scope of the fund. The city, which was in default for years on its bonds, was thus able to finance projects of this nature that it couldn't very well have handled otherwise.

The fund enabled Moose Jaw to get the Sterling Refinery, which was later taken over by British American Oil Co. and is now one of the largest in the West and one of the city's largest industries. A rock wool insulation plant, a branch of National Carbon Co., Toronto, and the new garment plant are also cited as industries acquired by use of the fund.

No loan is made to an industry that will compete with existing industry or business.

The Saskatchewan Government Industrial Development Office also came into the CanaDay's picture. While the local fund staked the company to half the cost of a building, the province assisted it in the cost of training needle trade personnel.

Workers are union members, and are paid on an inceptive plan. There are sales representatives in both Eastern and Western Canada.

Westinghouse Handling Presto Record Equip't

Canadian Westinghouse Co. has become exclusive sub-distributor of Presto recording products by agreement with the Canadian distributor, Instantaneous Recording Services.

Westinghouse now will handle a complete line of tape recording and tape reproducing equipment for professional and industrial use. Prospective purchasers: broadcasting stations, recording and phonograph companies, advertising agencies, educational institutions and business concerns.

Westinghouse also will handle transcription turntables, disc recording and transcription equipment.

Shining Examples
OF MODERN OFFICE PLANNING

SYLVANIA FLUORESCENT LAMPS INSTALLED IN THE BRITISH AMERICAN OIL BUILDING
"B-A Oil", to use the name generally adopted by motorists, is one of Canada's most progressive oil companies. In its head office in Toronto—an impressive example of modern office planning—efficient lighting is of paramount importance . . . and it is significant that Sylvania Fluorescent Lamps are used to do the job.
Modern fluorescent lighting, in fact, *means* Sylvania! The high level of light output of Sylvania Fluorescent Lamps has climbed steadily through the years; today, with new *stabilized* phosphors, Sylvania lamp performance has been stepped up to a new high point.
The superior performance of Sylvania Fluorescent Lamps is established beyond all doubt. When you're planning a lighting installation for *your* offices, specify and buy SYLVANIA!
There are also Sylvania Incandescent Lamps for every interior need . . . and for many outdoor applications.
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"What you are . . . thunders so that I cannot hear what you say . . ."
When you write a letter, you express what you *are* in the paper, design and reproduction of your letterhead, and by the typing. These form a silent accompaniment of what you *say*. You cannot claim to have standing which demands your reader's respectful attention. You have to imply it. The choice of Superfine Linen Record is an accepted way —and has been for seventy years—of illustrating that you have good taste and an appreciation of quality.
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REPLACE YOUR REAR TIRES NOW WITH B. F. GOODRICH "TRAILMAKERS"
B.F.Goodrich FIRST IN RUBBER
DRIVE IN WHERE YOU SEE THIS SIGN

Color for Executives—Chartreuse green shadow and primrose yellow are the main tones in this mock-up executive office by Grand & Toy Ltd. Black-framed pictures are of Gold Coast primitive idols, and the three shades are repeated in the draperies design. Off-white ceiling permits trough lighting.

Offices Get Custom Tailoring

How Comfort, Harmony, Efficiency Boost Business

Now it's tailormade offices for Canadian executives and professional men — integrated for comfort and harmony to boost business, public relations and personal efficiency.

For the first time in Canada, examples of the new-style offices are open for public inspection this week. They are fully equipped down to the ashtray and pictures on the wall in the Toronto galleries of Grand & Toy Ltd., Canadian specialists in office furnishings and furniture.

Why shouldn't a man or woman be as relaxed and comfortable in an office as at home? North America's master coordinators of color and design in office furnishings mulled that one over for years. They were put to work on it by the exclusive Executive Furniture Guild — an organization formed seven years ago to maintain ethics and business standards in the supply of office furniture and furnishings to the professional and business world. Many months were spent in research and planning. Hundreds of executives were interviewed about the features most needed. Prototypes of furniture left the drawingboard for individual construction in the workshop.

A Sedate Past

The Guild knew that the offices of many top executives, doctors, lawyers, even architects were relics of a sedate, somewhat stuffed-shirt past. The atmosphere was stiff and unrelenting — not conducive to easy business or consultant relations.

And the idea has caught on. Banking and insurance executives, medical men and industrial leaders have handed over the reconstruction of their offices to a new type of technician — artist. He is called a design-coordinator, trained by the Guild at special courses in the new-style office plan. The courses take place at the Guild headquarters at Grand Rapids, Mich., and to keep the members up-to-date, annual seminars and collaboratives are held.

The sponsors — Grand & Toy are elected members of the organization — say an office should serve as an efficient instrument, provide a characteristic environment for the man or woman in it.

The new approach has brought some surprising results. Attractive draperies, comfortable chairs, specially designed desks have been combined in arrangements that would grace any lounge but yet retain dignity and efficient operation in the office. One such office now touring Canada and the U. S. was chosen among 12 best designs. It has pigskin tiles on walls and floor.

Have 20 Orders

Top men of the Executive Furniture Guild, including George W. Reinoehl, executive director since its foundation, were in Toronto this week to study Canadian developments of the plan. Grand & Toy have orders for about 20 of the new-style offices and already the over-all design has taken a definite Canadian character. Draperies have been designed in a number of cases by the Canadian artist, Elizabeth Wilks Hoy, based on products associated with the firms and in a blend of the selected colors. Rugs have been specially made by Canadian manufacturers to suit the decor. In one industrial office, the lay-out and colors were co-ordinated round a rough brick wall of the president's office.

Where eight executive offices for one firm are being constructed with the same grade of furnishing and equipment, each reflects the characteristics of its occupant in color, arrangement, design.

Some of the designs in the U. S. have taken an unusual turn. A doctor's new office has a floor of vinyl cork and walls covered with grass cloth. A bank president's office has no windows but the draped wall gives a window effect, a high ceiling has been lowered, and the color scheme combines grey and primrose yellow. A railway president has shadow tones of azure blue, billiard green and hickory brown combined with warm greys.

Sculptured Wallpaper

Examples of what can be done with small and badly-shaped rooms, and even bare brick walls are among the offices on display at Grand & Toy. There they use drapes with telling effect, the latest in quality office furniture, sculptured wallpaper in a variety of designs, false ceilings which disguise the lofty room yet retain its benefits of air circulation. They have simulated various conditions where the art of the design-coordinator can make unpleasant features of an office into attractive detail.

R. H. Helwig, manager of Grand & Toy's special department, has had his own office converted to the new style and says he can work longer hours at a concentrated pace with noticeably less strain. His design-coordinator, Ernie Donaldson, says that few people appreciate the important influence of color in their lives. In suitable arrangement, a man's favorite colors can make all the difference between wellbeing and subconscious discomfort.

No Two Alike

The new offices are seldom duplicated, even when the same grade of furnishings and equipment are used. They are built round the occupant, according to his tastes. Mr. Helwig reckons he can guess a man's favorite shades by his dress and appearance, and has had his theories verified often enough.

The personal tastes of the individual involved are carefully checked. His secretary is asked for a catalogue of his preferences and hobbies. He chooses favorite colors from a wide selection of Guild shades, and these are put together in a visualizer which presents the whole picture in miniature for his approval, true to color and scale. The custom plan goes forward through office equipment to the detail of the type of table lamp, the wall and floor coverings, the upholstery, the drapes.

And the cost of the new-style office? It is as elastic as the decor, depending upon request. It can be anything from $2,000 upwards with a comprehensive, top-quality job for around $5,000-$6,000.

If you package any product that needs an hermetic re-seal, you'll probably snap up this idea.

Our new snap tight can changes a lot of ideas about packaging jams, peanut butter and other foods that are kept for day-to-day use. Easier to open than any hermetically sealed can. Reseals air tight. Lip is easier to wipe clean. Top-to-bottom label makes powerful display. Ask your Canco representative for all the facts.

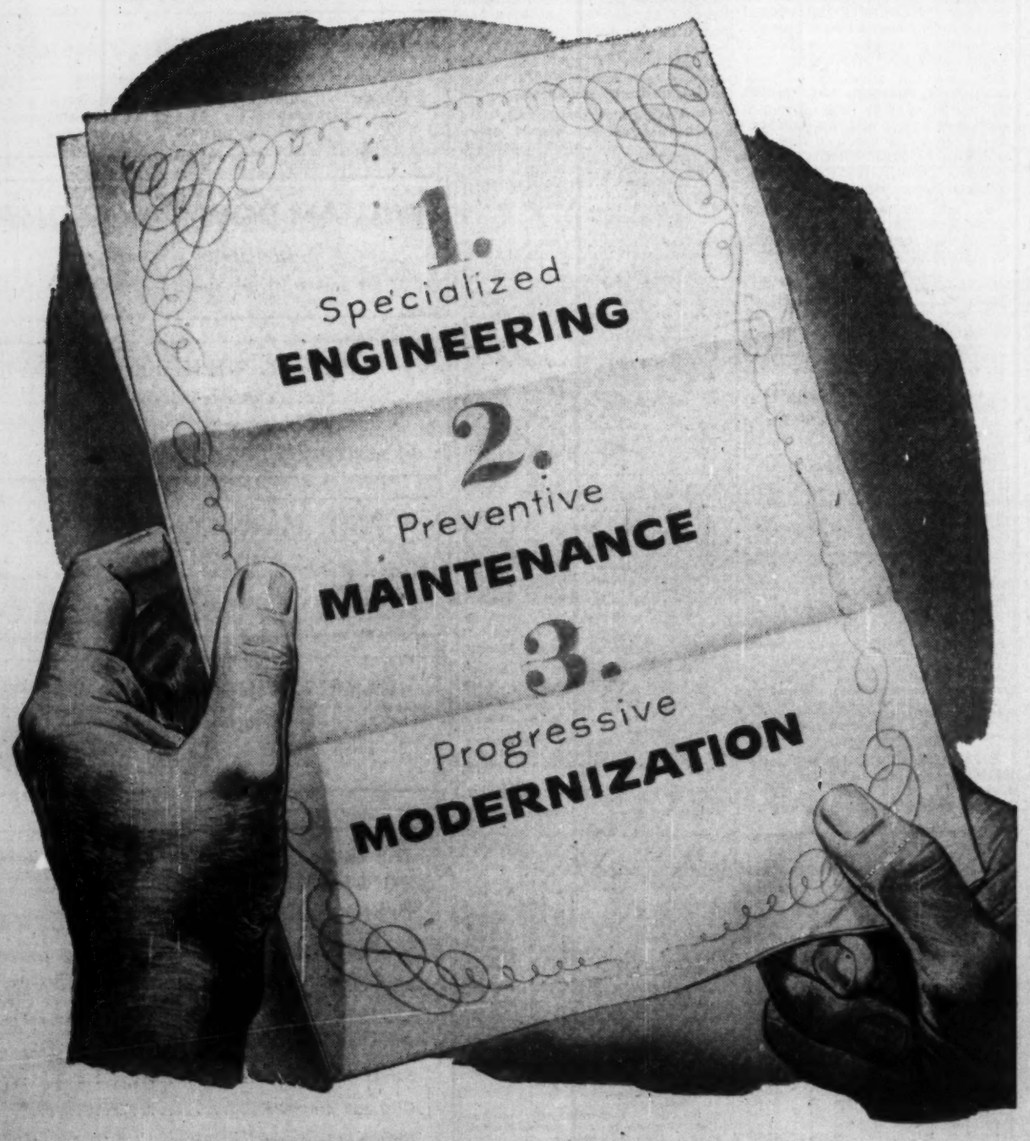
Developed for a Canadian jam packer, the snap tight can demonstrates once more the *ingenuity* that has made Canco the biggest can-maker in Canada . . . or the world, for that matter. Whatever *your* packaging problem, call Canco first!

AMERICAN CAN CO.

MONTREAL TORONTO HAMILTON CANCO CHATHAM WINNIPEG VANCOUVER

Always-On-Duty "INSURANCE"

OTIS GENERAL DUTY FREIGHT ELEVATORS HAVE THREE EXTRA FACTORS OF SAFETY



Whenever you need a freight elevator, it should be on duty. It's like a watch. If it isn't running it's useless. And costly. Especially when lack of elevator service holds up a production or materials handling line, or warehouse delivery trucks, or automobile parking, or mining, etc.

You can save money in the long run with Otis general duty freight elevators. They're standardized. They have lifting capacities of 2,500 up to 10,000 lbs. or more. And full safety features, power doors, self-service or attendant operation.

Only Otis freight elevators can offer you always-on-duty "insurance." It's based upon these 3 extra factors of safety.

1 Specialized ENGINEERING

Otis hoisting machines, which are the heart of the installation, are not adaptations of standard commercial equipment. Like every other part of an Otis installation, they're specifically designed to meet the unique requirements of elevator service. And every part is built in Otis plants under rigid quality control. All with a basic knowledge of elevatoring that can't be matched.

2 Preventive MAINTENANCE

Otis maintenance keeps Otis freight elevators performing like new—*year after year!* Otis service is *engineered-service by the maker* that prevents slowdowns and breakdowns; extends elevator life by 50%; eliminates expensive, unexpected repair bills; keeps replacement parts available over 60 years; supplies field-trained men having an aggregate of 21,500 years' elevator experience; provides 24-hour-a-day service on a nation-wide basis through 27 offices. All, because we never lose interest in the performance of an Otis installation.

3 Progressive MODERNIZATION

An Otis freight elevator need never become obsolete. New developments are made applicable to existing installations. We strongly recommend planned, progressive modernization as always-on-duty "insurance."

AUTOMATION

You can have freight elevators where you want them, when you want them. The same advanced electronic skill *that developed AUTOTRONIC® completely automatic operatorless elevators for busy office buildings* is ready to make completely automatic freight elevators an integral part of your production line.

• • •

Our broad experience in the field of industrial elevatoring qualifies us to advise on standard or special adaptations of Otis elevators for unusual freight handling requirements. This experience is available for any size installation, however large—or small. Call any of our 27 offices for details.

Otis Elevator Company Limited
Head Office and Works:
Hamilton, Ontario

Otis FREIGHT ELEVATORS

HEAVY DUTY • GENERAL DUTY • LIGHT DUTY

PROFESSIONAL DIRECTORY

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CHARTERED ACCOUNTANT
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PAUL E. TRUDEL
Chartered Accountants
ALDRED BUILDING
MONTREAL

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• HOW TO KEEP POSTED

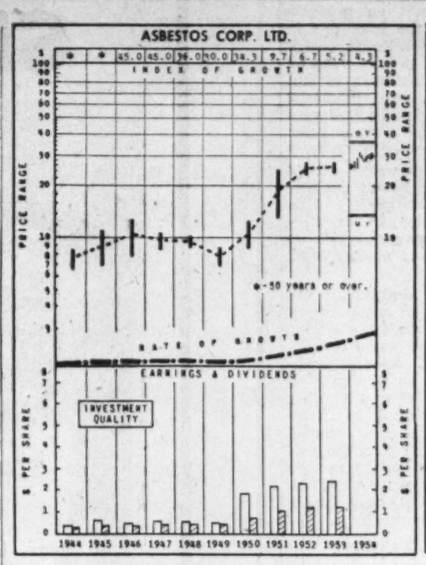
The Financial Post reports trends and developments in domestic and foreign trade, on the Ottawa thinking behind them. You'll like The Post's crystal-clear reporting. Read The Post regularly for concise, authoritative and specific information.

YEARLY BY MAIL $6 — 2 YEARS $11

Selected Growth Stocks — Quarterly Review — By NESTOR

The Financial Post's exclusive series of Selected Growth Stocks was chosen by one of the continent's most prominent and successful investment advisers. The reasons for choice shown below the accompanying charts were those given when stocks were chosen in January, 1953. Each will be reviewed quarterly. Publication of this series in The Post does not constitute a recommendation to buy these stocks.

Asbestos Corp.



WHY SELECTED: Asbestos Corp. is the largest independent producer of asbestos fibre—an essential mineral of worldwide use in construction and building. It has large ore reserves and has under way a major program for expansion of production.

Asbestos Corp., at recent price of about $32¾, selling 134% above UV level. Rise of 7% possible before reaching OV level. Yields 3.8% on indicated dividend. High and low to date this year $34 and $24⅜.

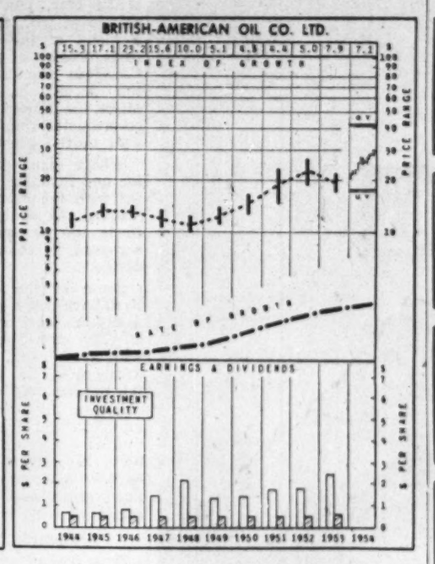
Stock up 11% in last three months, attributed to stronger world demand for asbestos.

Total Canadian asbestos shipments in September up 17% from year earlier. Brought nine-month total to 676,823 tons, down only slight 0.8% from same 1953 period. September exports showed 14.5% gain, making net decline of only 1.5% at 637,045 tons for nine-month period.

Asbestos decline started early 1953, as supply topped demand. Demand pickup started about mid-1954, and has continued into fourth quarter. Prices steady at levels set January, 1952. Customers still selective.

Asbestos Corp.'s new 5,000-ton Normandie mill now largely completed. Along with new additions by Johnson's Ltd. and Canadian Johns-Manville this year, boosts Canadian capacity substantially. Further expansion on the books of various producers.

B.A. Oil



WHY SELECTED: B. A. is an integrated petroleum unit with important reserves in U.S. and Canada contributing under aggressive exploration activities to increasing production. As crude output comes more in line with refining activities, profit margins should increase.

British American Oil common, at its recent price of $29 a share, selling 61% above its UV level. Stock could rise 41% before reaching OV level. Yield is 2.93%. Price equals 12 times '53 earnings. Price range this year $29⅛-$20½.

Sales this year have been ahead of a year ago, although in common with others in the industry, third quarter earnings were down to lower selling prices and other factors, said to be of temporary nature.

Company's U. S. crude oil production higher this year than last, although there have been some reductions in production allowables in areas in which company operates. Highlights of exploration program included three important wells in Texas and a substantial gas producer in Louisiana. Crude oil reserves by Dec. 31 expected to have shown a sizeable gain over those at the end of 1953.

In Canada, company brought in six more wells in Manitoba in third quarter, bringing B.A.'s total in that province to 76.

New catalytic reforming capacity, to increase still further its supplies of high octane gasolines, being added to Calgary refinery. New $725,000 unit should be ready by February. Competition for gasoline business brisk, and large expenditures under way by major refineries now to upgrade product.

How To Read the Stock Charts

INDEX OF GROWTH: The rate at which the value of the equity behind the stock is doubling as determined by the growth rate at which it entered the year. A figure of 5.6 for the present year would indicate that at its current growth rate the equity value is doubling every 5.6 years.

PRICE RANGE: The annual high, low and mean price. Monthly ranges for the current year.

UNDERVALUATION AND OVERVALUATION PRICE LEVELS: Shown by the narrow horizontal lines above and below the stock's price range indicating price at which the particular stock is adjudged as underestimating or overestimating its future rate of growth. A stock showing a fast-growth rate will sometimes anticipate growth by two or three years. In this case it may not be so attractive a purchase relatively as some other fast-growing stock that is not anticipating its growth beyond the immediate present. Other factors such as rate of growth and investment quality, will also enter into the comparison an investor will want to make.

Without these UV, and OV levels, a current quotation of say, 55 or 75 would carry no significance regarding long-range value. The UV/OV levels also permit judgment as between one stock and another. They are not designated points of purchase or sale, nor do they attempt to show what will be a stock's bottom or top figure in any given year.

RATE OF GROWTH: The rate as based on Nestor's tests, at which the company is showing underlying or long-term growth. This will determine the price trend of the company's common stock over a period of years, and in most instances the trend of dividend payments.

Background and principles behind the selections by Nestor were discussed in a special article in The Financial Post, Jan. 10, 1953. A limited number of reprints are available on request.

Dividends For December Jump to $99.7 Millions

Dividend payments in December (as declared at Nov. 27) amount to $99,700,702. This compares more than favorably with the dividend payments in the same month of last year of $94,952,283.

This year's figure is likely to be even greater when last minute declarations come in. They may amount to between $3 millions and $4 millions, an with extras could be more. Altogether the Dec. 1954 figure is likely to be within shooting distance of the Dec. 1952 amount o $108.6 millions.

Payments already declared by 133 industrial issues total $39,422,998, compared with $44,050,976 by 229 industrial issues in the same month of last year.

Major increase comes from the mining companies. Last year 28 issues paid a total of $27,523,323. This year 34 mining issues will pay $37,560,934—and this does not include four which together paid about $1.8 millions in Dec., 1953, at least one of which is likely still to be declared.

Oil issues last year numbered six and paid $16,312,583. In December this year five issues will pay $17,780,072, most of the increase being taken up by a rise of nearly $1.5 millions in the dividends paid by Imperial Oil.

Financial companies numbered 50 issues last year and paid $7,065,401. This year 25 issues so far declared will pay $4,933,698.

Total dividend distribution declared so far for 1954 amounts to $587,634,682, compared with $558,759,728 in 1953.

The following is a list of payments for December as compiled by The Financial Post from records now available:

Monthly Dividends

	1954	1953
January	$55,469,100	$56,375,681
February	30,331,446	28,045,037
March	62,901,703	57,715,563
April	41,146,814	36,705,372
May	13,386,572	12,333,146
June	89,085,187	82,467,387
July	50,385,113	51,017,943
August	26,539,978	27,276,115
September	57,949,327	57,183,648
October	4,149,063	40,657,742
November	16,789,677	14,129,789
December	99,700,702	94,952,283
Total	587,834,682	558,759,728

Industrials and Utilities

Company	Rate, $	Date	Amount $
Acadia-Atlantic 5% p.	1.250p	15	37,500
Agnew-Surpass	.10q	1	40,294
Do.	.27½	1	11,407
Aluminium	.50q	4	4,511,932
Aluminum 4% pf.	.25q	1	125,914
Do. 5½% pf.	1.31q	1	393,000
Argus	.15q	1	127,500
Do. 4½% pfd.	1.12½q	1	56,250
Asbestos Corp.	.25q+.25	23	900,000
Atlantic Whole. pfd.	.55	1	12,375
Auto Electric	.15q+.10	15	30,286
Do. A	.12½q	15	1,107
Barber-Ellis	.50q	15	35,270
Bathurst Pr. & P. A	.75q	1	300,000
Do. B	.25	1	81,250
Bird Construction	.50q	31	12,000
Brantford Cord. A	.25q	1	15,000
Bridge & Tk $2.90 pf.	.71½q	1	29,000
Brown & Co. 1st pf.	$1.25q	1	179,320
Do. 2nd pref.	.75q	1	59,676
Burrard D.D. A	.11q	15	27,500
Butterfly Hose		1	
Canada Cement pfd.	.32½q	20	318,681
Can. Dom. Sugar	.25q	1	375,000
Can. Flooring A	.25q	1	10,188
Can. Fdry. Forg. A	.37½q	15	10,088
Can. Machine	.25c	28	25,000
Can. Malting	.50q+4.50	15	190,972
C. Safeway 5% 1st pf.	1.25q	1	53,969
Do. 5% 2nd pf.	1.25q	1	24,085
Can. Starch	.75q+2.00	23	163,143
Can. Vinegars	.25q+.25	1	38,800
Can. Wire & Cable A	1.00q	15	2,922
Do. B	.75q	15	153,117
Canadian Celanese	.15	31	188,245
Do. $1 pfd.	.25q	31	25,000
Do. $1.75 pfd.	.43¾q	31	175,000
Cdn. Fairbanks-M.	.25q	1	60,000
Cdn. Tire	.18q	1	15,000
C. W. Nat. Gas 4% pf.	.2?q	1	30,082
Cockshutt Farm		1	
Cons. Textile pfd.	.50q	1	2,009
Cons. Theatres A	.12q	1	9,744
Do. B	.10	1	34,300
Do. pfd. 7%	.35	15	9,039
Dom. Struct. St'l 5% pf.	.50q	1	6,345
Donohue Bros.	.30q	1	90,000
Dover Ind.	.15q	15	21,422
Eddy Paper A	.25q	15	50,000
Electrolux	†.25q	15	307,625
Erie Floor & Wood A	.30s	31	10,500
Do. B	.10	31	6,000
Famous Players	.37q+.10	29	825,109
Fanny Farmer	.37½q	3	127,658
Ford Motor A & B	.75	15	1,244,220
Grafton A	.25q	15	9,030
Gt. Lakes Pwr. 5% pf.	.31¼q	30	24,514
Gt. West Coal B	.15	15	48,240
Gypsum Lime	.50q	1	220,021
Hamilton Cotton	.22½	1	18,000
Hinde & Dauch	.35q	24	105,000
Imp. Tobacco ord.	.10q	31	967,053
Imp. Varnish	.30q	1	16,683
Do. pfd.	.37½q	1	4,021
Int. Brew. B	.12s	15	27,540
Intl. Pap.	†.50q+1stk.	16	7,349,579
Do. 4% pfd.	†1.00q	16	230,000
Inter. Utilities	†.40	1	386,005
Johnston Term.	.15	15	11,700
Do. 6% pf.	.15q	15	13,500
Kelvinator	.37½q	20	150,000
Lake of Woods M.	.40q	1	59,076
Do. pfd.	1.75q	1	28,250
Alf. Lambert A	.15c	31	6,225
Do. B	.15q	31	6,225
Laura Secord	.20+▲.10	1	86,250
Loblaw Gr. A & B	.37½q	1	357,509
Loblaw Groc Inc.	†.25q	1	87,873
M. Loew's	1.00q+▲1.00	31	15,000
Mack. Struct. S. 5% pf.	1.25q	15	2,957
MacMillan & Bloedel	.12q	31	15,380
Do. B	.20q	31	1,032,499
Man. & Sask. Coal A	▪.20	1	15,000
Do. B	.20	1	15,000
Massey-Harris-Ferg.	.15q	13	1,425,128
Meichers 6% pfd.	.30s	31	37,500
Mersey Pap.	1.00	20	198,254
Mexican Lt. & Pwr.	▪.25	15	444,209
Milton Brick	.10	1	55,000
Mitchell, Robt.	▪.75q	15	54,300
Mod. Contain.	.50s	1	25,937
Molson's Brew, A & B	.20q	16	300,000
H. Morgan	.18¾q	1	73,000
Do. 4¼ pf.	1.19q	1	47,600
Nat. Drug	.15q	1	37,557
Do. pfd.	.15q	1	36,728
Nfld. Lt. & Pwr.	.30q	1	45,000
Nor. Que. Pwr. 5½% pf.	.69q	15	34,500
N.S. Lt. & Pwr. 4% pf.	1.00q	1	20,000
Do. 4½% pfd.	1.13q	1	42,456
Ogilvie Flour pfd.	1.75q	1	35,000
Ont. Jockey Club	.05	15	90,000
Paton Mfg.	.20	15	10,000
Do. pfd. 7%	.35	15	9,039
Powell River	.25q+▲.35	15	2,520,000
Robinson Little	.20	31	11,000
Do. A	.25q	1	6,750
Sarnia Bridge	.20q+▲.20	15	54,000
Scythes & Co.	.25	1	12,500
Do. pfd.	.31¼q	1	3,472
Shaw. Water & Pwr.	▲.25	30	544,842
Sick's Brew.	.30q+▲.20	31	476,000
Silknit	.25q	15	16,021
Do. pfd. 5%	.50q	15	7,139
H. Simon & Sons 5% pf.	1.25q	1	4,614
Simpsons Ltd.	.12½q	15	375,000
Southam Co.	.40	28	300,000
Stowell Screw A	.75s	1	5,625
Toronto Elev.	.20q	1	49,540
Un. Amuse. A & B	.25s+▲.15	15	129,326
United Steel	.75q	31	117,381
Viceroy Mfg. A	.12½q	1	31,111
Virginia Dare 5% pf.	.31¼q	1	5,000
Waterous Equip. 6% pf.	.60q	1	4,248
Westeel	.30q+▲.20	15	236,302
West Can. Brew.	.25q	1	170,724
Western Plywood B	.10	15	34,960
G. Weston 4½% pfd.	1.12½q	15	133,554
Windsor Hotel	.50	20	49,178
Winnipeg Electric pfd.	2.50s	31	125,000
G. H. Wood pfd. 5½%	1.37½q	1	4,806
Total			39,422,998

Mining Companies

Aunor Gr M.	.04q	1	80,000
Castle Treth.	.10	30	270,900
Cons. Disc. Yell.	.10	15	274,392
East Sullivan	.12½	15	531,250
Falconbridge	.25s	15	939,068
Granby Cons.	†.50	1	275,130
Halinor	.05	1	100,000
Hollinger Cons.	.06q	29	285,200
Hudson Bay M.	1.00q	15	2,737,973
Inter. Nickel	.50q+▲.80	20	20,417,535
Lake Dufault	.02	10	50,952
La Luz M.	.05s	10	75,221
Macassa	.03	15	80,342
Madsen Red Lake	.05+▲.02	23	244,967
McIntyre Pore.	.50q	1	300,000
Mining Corp.	.50	31	1,607,403
Nor-Acme	.02½	15	33,919
Noranda Mines	1.00	15	2,239,272
Normetal	.05+▲.05	30	488,411
Pamour Porc. M.	.03	15	609,559
Pato Cons.	.10+▲.40	17	1,751,250
Pend Oreille	†.25	28	609,559
Placer Develop.	1.00s	9	860,000
Quemont M.	.75	30	1,376,626
Renabie M.	▪.05	15	52,500
Rolland Pap.	.25q+▲.25	1	36,001
Do. pfd.	1.05½q	15	18,063
San Antonio G. M.	.03	1	71,791
Silver Stand. M.	.02+▲.01	15	64,325
Siscoe G. M.	.02	29	92,801
So. Amer. Gold & Plat.	†.15	15	162,383
Sullivan Cons.	.06	16	240,000
Torbrit Silv.	▪.05	30	150,000
Waite Amulet	.35q	10	1,155,000
Total			37,560,934

Oil Companies

Andian Nat.	†.20s	1	510,000
Imperial Oil	.45s	1	13,431,252
Int. Pete.	†.25q	14	3,631,022

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Mining

DEL RIO PRODUCERS showed a loss of $129,197 in the year ended July 31, 1954 against nil a year earlier. A change in accounting procedure was introduced and the company is now writing off lease rentals, geological and geophysical expense, instead of capitalizing these items.

Varying interests ranging from 25% to 50% are currently held in 27 oil wells in Alberta and Saskatchewan, including 15 wells in the Armena field for which Imperial Oil is the operator. Two of the wells in the Princess field in Alberta and two in the Ratcliffe area of Saskatchewan are designated as "marginal."

Del Rio owns a 2½% carried gross royalty on 15,040 acres in the Chip Lake sector of Pembina on which a light oil well in the Mississippian was completed by Stanolind during the year. Evaluation of the well was held up by road conditions.

While four wells were drilled and abandoned as non-commercial on the four Saskatchewan Government reservations covered by the farmout agreement completed with Central Leduc and Socony, the management feels that the discovery of commercial accumulations of oil within the limits of this large block of acreage is now a "definite probability." Recent discoveries in this general area of Saskatchewan and an intensive geologic study has led to this conclusion being reached.

Oil reserves were estimated by Link, Downing & Cooke Ltd., at 575,300 bbls. with an appraised value of $814,600 at July 31, 1954.

INCOME ACCOUNT

Year ended July 31:	1954	1953
Prod'n rev.	$125,563	$112,676
Add: Misc. in.	366	1,956
Less: Lease rent. & expl. dev. amort.	.....	6,808
Deprec.	29,154	35,577
Gen., admin. exp.	225,972	72,247
Net loss & deficit	129,197	nil

CONDENSED BALANCE SHEET

As at July 31:	1954	1953
Cash	$3,070	$126,963
Accts. rec.	2,500	7,882
Mkt. securities†	54,750	75,000
Total curr. assets	60,320	209,845
Lands, leases, agree.	1,065,068	1,082,370
Invest. assoc. co.	33,750	33,750
Well invest. a/c	839,511	692,729
Other invest. a/c	22,500	22,500
Organ. exp.	4,443	4,443
Plant & equip.*	68,026	83,014
Def. expl., dev. & lease rent. less w/o	.....	142,815
Total assets	2,095,618	2,271,466
Total curr. liab.	39,151	.....
Capital stock	2,242,000	2,242,000
Surplus	▪207,533	29,466
†Market value	138,244	271,875
*After depr. of	74,455	43,301
▪Deficit		
Working capital	1,169	209,845

Contingent liability — Under agreement dated Dec. 1, 1951, between Trans Mountain Oil Pipeline Co. and co., Del Rio agrees to bear 1.25% (being 1/100 of 1% for each 100 shares subscribed) for any deficiency suffered by Trans Mountain during the five year period commencing Jan. 1, 1952.

WESTERN LEASEHOLDS showed improved results in its latest year. Net profit of $1,027,304 or 15c a share was realized after writing off over $1.7 million of exploratory expenses, depletion, well amortization, depreciation, etc., in the year ended Sept. 30, 1954.

In the nine months ended Sep. 30, 1953, a $503,798 net profit equal to 7.2 cents a share had been reported.

Net production in the latest year was 1,596,000 bbls., equal to 4,400 bbls. per day. Redwater properties accounted for 1,501,000 bbls. as compared with 1,416,000 net bbls. in the preceding 12 months.

A natural gas discovery was made at Turin and another heavy oil strike in the Jenner area as a result of wildcat drilling. Development work in other fields gave four oil wells and one natural gas well.

Purchases were made of proven, semi-proven and wildcat acreage during the year, but these additions were offset by surrendering leases in areas of lesser interest and converting to lease portions of a number of permits and reservations.

Income tax appeals for 1947 and 1948 involving $98,000 were dismissed by the Income Tax Appeal Board. This decision has been appealed to the Exchequer Court of Canada. Tax payments of $1,020,000 for 1949 and 1950 have been paid under protest and appealed to the Exchequer Court of Canada.

CONS. INCOME ACCOUNT

Period Ended Sept. 30:	1954	1953
Oil sales	$5,438,716	$3,353,598
Less: Royalties	592,741	370,795
Interests	593,918	368,211
Add: Royalty inc.	78,357	47,434
Other rev.	58,714	17,861
Total net revenue	4,389,128	2,679,947
Less: Oper. & adm. exps.	946,352	595,261
Depletion	39,858	27,286
Depreciation	218,823	153,803
Amort. of well cost	430,079	301,338
Expl. exps.	1,021,882	793,462
Income tax	685,000	295,000
Net profit & surp.	1,027,304	503,798
Earnings per Share and Dividend Record:		
Common	$0.15	$0.072
None paid.		

CONDENSED CONS. BALANCE SHEET

As at Sept. 30:	1954	1953
Cash	$1,719,458	$487,061
Govt. bds. & accr. int.	32,764	1,217,031
Due fr. affil. co.	135,133	.....
Accts. rec.	676,217	528,927
Inventories	247,487	479,128
Total curr. assets	2,811,159	2,712,147
Prep. exps.	67,121	71,661
Inc. tax pd.*	1,118,300	98,089
Dep. & adv.	102,069	151,627
Investments	303,643	173,737
Leases	*	*
Other land, leases, etc.	3,110,393	2,852,588
Well costs	2,722,701	2,788,104
Equipments	1,131,167	1,240,747
Total assets	11,363,953	10,096,700
Accts. pay.	370,321	421,406
Due affil. cos.	1,120,585	1,467,948
Inc. tax res.	1,860,289	2,293,589
Total curr. liabs.	3,351,195	4,182,943
Inc. tax pd.*	1,118,300	.....
Capital stock	*	*
Realiz. from pet. & gas rts. & res.	6,308,974	5,510,358
Deferred inc.	.....	38,603
Earned surplus	587,484	358,796
†Mkt. value	unstated	1,149,646
‡After depr. of	219,406	159,512
▪After depr. of	1,789,614	1,371,104
▲After depr. of	1,024,221	848,879
*Under appeal.		

▪7,000,000 com. shs., n.p.v. authorized and issued as consideration for pet. and natural gas leases acquired, at no recorded value.

†Incl. under curr. assets in co's report.

Excess of curr. liabs. over curr. assets	540,936	1,670,796

December Dividends (cont.)

Company	Rate $	Date	Amount $
North Star A	.15	15	.....
Royalite Oil	.06¼q	1	187,034
Stuart, D. A.	.20q	1	20,764
Total			17,780,072
Financial			
Bk. Can. Nationale	.25	1	175,000
Do.	▲.20	15	140,000
Bk. d'Economie de Que.	.25q	1	25,000
Do.	▲.10	15	10,000
Bank of Montreal	.25q	1	1,080,000
Do.	▲.20	15	720,000
Bank of Toronto	.35q+▲.30	1	390,000
Bloor-St. Geo. Realty	2.00	15	13,922
Can. Int. Tr.	.10	1	12,001
Do. pfd. 5%	1.25q	1	11,625
Confed. Life	.35q	15	38,000
Cons. Div. Sec. pfd.	.75s	31	15,750
Dom. Ang. Inv. 5% pf.	1.25q	1	12,500
Dom. Scot. Inv.	.25+▲.25	31	44,576
Economic Inv. Tr.	.25q+▲.50	31	92,750
Empire Accept.	.15	1	8,213
Imp. Bank	▲.30	1	210,000
Interprov. Build. Cred.	.20q	1	12,894
Leverage Fund	.04q	15	22,547
Nat. Trust	▲.20	1	60,000
Royal Bank	.37½q+▲.10	1	1,765,819
Sec. Cdn. Int. Inv. Tr.	.10q+▲.20	1	5,837
Do. 40c pf.	.10q+▲.20	1	11,144
Sovereign Life	.7½a	15	14,000
Victoria & Grey Tr.	.20q	15	40,300
Total			4,936,898
Grand Total			99,700,702

‡‡—5% stk. divd. (one for ea. 20 held) on which cash div'd is also paid.
a—Div'd deferred.
*—Participating.
q—Quarterly. s—Semiannually. a—Annually. †Payable in U. S. funds. ▪Initial.
▲Extra. ‡Special. ▲Bonus.
•—Declared on basis of old stk. prior to proposed 3-for-1 stk. split.

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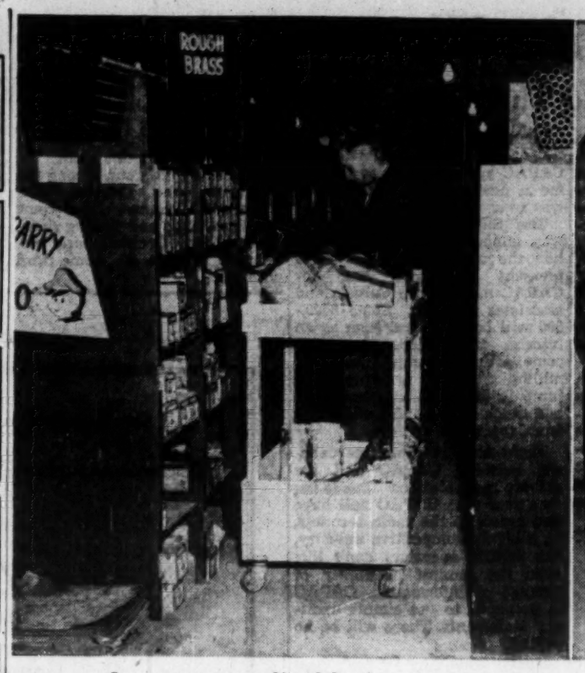

Contractor serves self with handy pushcart . . .

. . . and pays for hardware supermarket-style.

Serve Self At This Wholesaler's

Regina Contractors Buy Their Fittings Supermarket Style

Regina heating and plumbing contractors are shopping for supplies housewife-style—in a supermarket pushcart.

Supermarket selling patterned on grocery chains has invaded Canada's wholesale heating and plumbing field for the first time, in the form of a strictly cash and carry business in Saskatchewan's capital operated by Cronkhite (Regina) Ltd. And with this serve-yourself shopping come the expected savings.

With a sharp eye out for savings ranging as high as 20%, contractors push shopping carts up and down aisles making their selections from well stocked bins. Shopping finished, they trundle their loaded carts to the cashier, pay cash, wheel out to their truck through an electric-eye-operated door. It's as simple as that.

The whole idea is Dave Balfour's, president, Cronkhite (Canada) Ltd., Calgary, the parent company. It's his answer to a self-asked question: How can wholesalers prevent direct-to-you selling from gaining still more ground and ending up with the major share of the consumer's dollar?

Also solved was the problem of rising credits extended to contractors, a thorn in the side of most wholesalers in Canada. Contractors from coast to coast, he noted, are going broke leaving jobbers and wholesalers with thousands owing on the books.

Bad Debts Very Bad

It costs money to collect these debts and many of them are completely written off. Others pay off at much less than 100c to the dollar. Who pays for these bad debts? In the long run the customer, he figured.

More important, however, to him was that smaller contractors unable to buy at carload prices were now able to compete against both larger firms in the field and DTU retail outlets.

With overhead costs drastically reduced, substantial savings are passed along. Signs on the bins point out that "cash 'n carry" saves anywhere up to 20%.

Net result: The smaller operator is in a better competitive position.

"We are convinced that if high quality goods can be placed in the contractor's hands at a low price they will be in a position to compete with any retail outlet as we know them today," is the way Balfour summed it up.

"When we sell for cash, every customer buys at the same low price regardless of quantity. Every customer knows there is no lower price," he added.

Quite frankly he admits that the new serve-yourself operation is not designed for the large contractor who has the advantage of large discounts through bulk purchasing.

Cuts Paper Work

He points to the vast amount of paper work eliminated by this cash and carry business. Gone are large office staffs for order processing, bookkeeping, mailing and shipping. Credit and traffic managers are not needed. Neither are fleets of heavy trucks to deliver goods to every corner of the spreading city and surrounding suburbs.

Field and city salesmen aren't necessary. Once the word gets around and news of the savings to be gained is beamed at potential customers by direct mail advertising, contractors won't waste time in taking advantage of the opportunity. It will take a good many miles to discourage a man from driving to Cronkhite's to save as much as $20 on a $100 order.

The implications of this merchandising method, proven by grocery chains but new to the heating and plumbing field, are vitally important to the small contractor.

A new way of doing business? Yes, admits Balfour, especially in an industry grimly hanging on to the traditional manufacturer-wholesaler - contractor - customer distribution chain against increasingly heavy odds.

But it is a way that "other wholesalers must recognize and understand."

"To fight it means disaster to the old-fashioned wholesaler. To know the principle of it will mean living side by side with each other with both types of business serving their customers in a more efficient manner," Balfour maintains.

How He Sees It

His sales policy:

—Sell for cash at one price.
—Sell only to recognized contractors.
—Sell high quality goods.
—Make customers competitive with DTU stores.
—Sell 90% Canadian-made goods.
—Make customers competitive with contractors able to buy in carload lots.
—Offer lowest possible price to compete with imports.
—Motto: "quality tells—price sells."

In keeping with his policy of cutting selling costs to a minimum, Balfour located his wholesale on the outskirts of Regina. Building measures 90 ft. by 90 ft., is of brick construction designed along modern lines.

Inside the layout looks much the same as a grocery chain's.

There are rows of bins at right angles to the main aisle. Neatly lettered placards on top of the bins indicate where certain items may be found. Contractors shopping for the first time can call on any one of the four men for assistance. But after shopping for a few times they'll catch on quickly where to find things.

Experienced Manager

Jack Forrest, formerly of Winnipeg, is branch manager. He's got 15 years' experience in the heating and plumbing field behind him.

The Regina branch has only been operating for a matter of a few weeks. It's much too early to assess its potential. Cronkhite's other branches are at Calgary and Winnipeg. Although Balfour made no sign that they might be switched to the supermarket style, it's quite possible. Although confident that it will work, he regards the Regina operation as an experiment.

Wholesalers from coast to coast will have their eyes on Cronkhite (Regina) Ltd. and if supermarket selling in the wholesale field proves successful, it's not inconceivable that others might follow suit.

Manitoba Uses New Assessments

Manitoba's reassessment of property values has reached the approximate half way mark. A level of values has been established which will assist the Municipal Assessment Equalization Board in equalizing 1955-56 assessments throughout the province.

It is the first time Manitoba municipalities have had a fairly accurate standard for the equalized assessment. Application of the new standard of values together with the high level of building activity in recent years will put equalized assessment for 1955-56 about $220 millions higher than the 1953-54 assessment.

No over-all reduction will be made in the province's contribution to local education, the Government has announced. Such a reduction would ordinarily result from a rise in equalized assessment, which is the important factor in determining educational grants.

U. S. Firm Purchases Colville Industries

Colville Industries Ltd., Chatham, Ont., has confirmed that all of the shares of the company have been purchased by Rotary Lift Co. of Memphis, Tenn. There will be no change in the management, personnel or policy of Colville.

Colville Industries will continue as the exclusive Canadian manufacturer of Weaver automotive service equipment. Its distribution of Weaver hydraulic and pneumatic equipment will be carried on.

But Colville will now manufacture and distribute in Canada the line of hydraulically-powered self-leveling ramps and vertical transportation equipment which Rotary Lift markets in U. S. and abroad.

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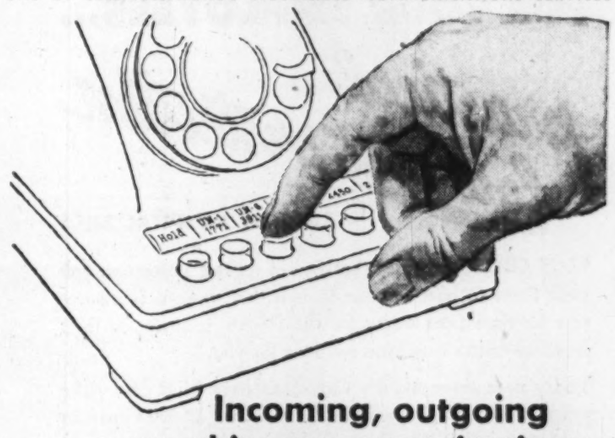

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ANNOUNCEMENT

ARBORITE APPOINTMENTS ANNOUNCED

E. SELYAN E. G. HUNT

The appointment of Edward Selyan as vice-president and general manager of The Arborite Company Ltd., and of E. G. Hunt as executive vice-president, has been announced by the company's president, Mr. D. S. Abbott. Mr. Selyan was formerly vice-president in charge of sales, and Mr. Hunt was vice-president in charge of manufacturing.

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ALBERTA—Associated Hospitals of Alberta, Alberta Blue Cross Plan, 10124 101st Street, P.O. Box 610, Edmonton. Joseph A. Monaghan, Executive Director, Tel. 22447.

MANITOBA—Manitoba Hospital Service Association, 114 Edmonton Street, P.O. Box 633, Winnipeg. F. D. MacCharles, Executive Director. Tel. 922-181.

ONTARIO—Blue Cross Plan for Hospital Care, 135 St. Clair Avenue West, Toronto 7. D. W. Ogilvie Director, Tel. Walnut 4-3391.

QUEBEC—Quebec Hospital Service Association, 1206 St. Alexander Street, Montreal 2. E. Duncan Millican, President. Tel. UNiversity 6-4311.

NEW BRUNSWICK, NEWFOUNDLAND, NOVA SCOTIA, PRINCE EDWARD ISLAND — Maritime Hospital Association, 110 MacHeath Avenue, Moncton, N.B. Ruth Cook Wilson, Executive Director, Tel. 9431.

TV Pays The Piper's Writer

Battle Looms As Composers Demand Their Royalties

By CLIFFORD FOWKE

Both sides fired preliminary shots this week in a $300,000 royalties battle between Canada's private telecasters and the Composers, Authors & Publishers Association of Canada.

The big fight is due in a few weeks, at the next sitting of the Copyright Appeal Board when the association's 1955 royalties levy comes up for approval.

CAPAC so far has let the telecasters escape without payment of royalties on music. Television in Canada was a new industry, with costly overheads, not yet into its stride. Now, the association plans to charge the telecasters on the same basis as radio—1¾% of the gross revenue earned by each station for the last fiscal year.

The CBC which stood aside during the three-year battle between CAPAC and private radio broadcasters over the power of the Copyright Appeal Board to approve revenue percentage royalties, is expected to remain neutral now too.

Spearhead of the private telecasters' attack is the Canadian Association of Radio & Television Broadcasters, with headquarters in Ottawa. Jim Allard, executive vice-president, outlined the stand:

TV uses considerably less music than radio and should get separate terms. Adequate royalties should be paid, but what is the adequate payment and how should it be levied? Most Canadian TV stations are off the air in the day and after midnight. Telecasters will oppose the amount (as excessive) and its principle of application.

W. S. Low, general manager of CAPAC, drew up the other battle-line:

—Blanket licenses have gone to every TV station in Canada free, and in 1954 for $1. Now that TV is established in Canada, CAPAC wants to apply a normal tariff to the stations now operating. Without such a tariff, CAPAC is going to lose very substantial revenues for its members.

A $400,000 Levy?

CAPAC discussed the new royalties with the TV industry at recent meetings. Now the private telecasters are collecting information from individual stations on past revenues. A preliminary estimate puts the proposed music levy total at between $300,000 and $400,000 annually from Canada's 20 TV stations, including those of the CBC.

The TV dispute is a sequel to three years of litigation by private radio stations, when CAPAC in 1951 sought to change the method of assessing royalties. Royalties were based till then on the number of licensed receiving sets. CAPAC asked the Copyright Appeal Board to replace it by a 2¼% levy on gross revenue — the basic U. S. rate. The board cut that to 1¾%, but the radio men denied the power of the board to approve royalty fees based on their revenue. The Supreme Court of Canada upheld the board.

But that was a friendly affair. Contracts with CAPAC were signed individually by 149 private radio stations to take care of any changes the court decision might make. The radio stations continued to pay the old fee but undertook to make up the difference for 1952, 53 and 54 if the decision went against them. CAPAC agreed to accept the old fee as final payment if the board was over-ruled.

The Supreme Court decision was announced last month and now the money is rolling in for a pleasant Christmas box for CAPAC members in Canada and associates overseas. Some $500,000 will be going out soon as an interim distribution. Gross income, estimated at just under $1 million this year, is expected to jump to $1¼ millions next year, and much of the extra will come from the radio stations.

Right now, relations are delicate between CAPAC and the private radio stations. This is the first year that CAPAC will have had access to the radio accounts. In a highly competitive industry, the private operators don't like even the faintest possibility of leakage of information. CAPAC is prepared to use simple auditors' statements. There will be no prying.

That's why CAPAC isn't prepared to divulge exactly how much in extra revenue the new radio levy will mean to its members. All it will say: "In most cases it means a fairly substantial increase. In a number, the radio stations save money, one to the tune of $12,000 a year, another $8,000."

How CAPAC Works

CAPAC has been growing fast in Canada. It is a branch of the world-wide organization which looks after the performing rights of all composers, authors of words to music and music publishers. It is non-profit-making, free of income tax. It pays no directors' fees, accepts accredited Canadian members without subscription. Its Canadian membership climbed to over 200 this year.

Like sister organizations in other parts of the world, its job is to collect royalties in Canada and distribute them throughout the world. This year, with December still to come, it has received about $75,000 from other countries for Canadians.

Ten years ago, the total annual income from abroad was only $5,000. The rise is mainly due to the playing of unpublished Canadian music abroad. There is relatively little music publishing—an expensive undertaking—in this country.

The system of allocating royalty fees on a world-wide basis is complicated, handled by a staff of 20 at the Toronto headquarters. Every copy of every program performed under license comes to them — by the truckload — from the CBC. Usually, the composer, author and publisher have the fee equally divided between them. Occasionally, the publisher gets 50%, but never more.

The number of licenses issued by CAPAC has also been climbing. It was just over 5,000 in 1952, around 6,000 last year, getting close to 7,000 this year.

Biggest single group among the applicants: the theatres with about 2,000 licenses. Next come the dance halls and skating rinks, nearly 1,600. Cocktail bars, restaurants, taverns, etc., come third with 1,000.

West Coast Gas Pipeline Looks Bright

All eyes are on the West Coast gas situation these days where negotiations between Canadian and U. S. gas and oil officials are said nearing agreement on plans to serve the entire Pacific Northwest gas market.

The pipeline plan expected to emerge from the prolonged talks is an integrated one in which Peace River gas would be piped down through B. C. to serve centres in Washington and Oregon and would connect with long-established gas systems in California. Gas from the San Juan Basin of New Mexico would also be piped to the California border as well as to Eastern Washington and Oregon via another "big inch" pipeline.

No details are available as yet on the over-all plan that would include Westcoast Transmission Co. and several Peace River gas producers, Pacific Northwest Pipe Line Corp.—the U. S. company that this spring gained Federal Power Commission approval to serve the whole Pacific Northwest market—and several California and West Coast utility companies.

Ever since FPC turned down Westcoast's bid this spring to pipe Peace River gas into U. S. via a $100-million pipeline, company officials have been exploring other means of marketing the accumulating gas reserves in the area. It is estimated that the field, which straddles the B. C.-Alberta border, has some three trillion cu. ft. of gas on the B. C. side and some two trillion on the Alberta side. Pacific Petroleums and a group of associated companies have the major interest in these fields.

Westcoast officials are confident that all the pipeline details will be ironed out and necessary government approval obtained in time for a start on the line by next year. Completion date would be late 1956. In the meantime, Westcoast has applied to the Alberta Petroleum & Conservation Board for extension of its permit to export gas from the Peace River area. The company is asking for a 22-year extension.

Reports that an announcement on pipeline plans would be made shortly has sent the stock of Pacific Petroleums (parent company of Westcoast) up to its highest level in over a year and a half.

Oil Markets Not Output Industry Need

The major difficulty is not producing more oil—it is finding more competitive markets for the rising volume, Ole Berg, Jr., president of British American Oil Co. told the American Petroleum Credit Association recently at Kansas City.

"If there were extra markets, Western Canada's output could easily be raised to over 350,000 bbls. a day just from present wells—or two thirds of the country's actual crude needs, and the capacity to produce is growing with each new discovery," he said.

Aside from export, before Canada can achieve '00% crude oil self-sufficiency, the puzzles of domestic transport, east - west economics and world competition must be further resolved, Mr. Berg stated.

He said he hoped that some day Canadians will be able to pipe Alberta oil to the great Montreal refineries. At that centre more than one third of the total refining capacity of Canada is located.

While the percentage of imported, as against percentage of domestic supply, continues to decrease each year, Canada's volume of crude coming from outside is still considerable.

Another approach to the export of Canadian crude, said Mr. Berg, is the establishment of refineries in regions of the northern states not now served by local plants and where Canadian crude can be laid down competitively. At St. Paul, Minn., such a refinery is now under construction, and when completed next summer, will be supplied by Saskatchewan crude.

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Predict '55 Newsprint Peak Follows Economy Upswing

MONTREAL (Staff) — Newsprint—the most important item in Canada's biggest industry—is in for another banner year. Production in 1955 will likely boom along at or above rated capacity, topping the 6,000,000-ton mark for the first time.

That bright picture is unveiled in the Newsprint Association of Canada's annual industry review, issued last week. Based on capacity and the mills' appraisal of demand factors, Canadian output for 1955 is forecast at between 6,050,000 and 6,150,000 tons. That compares with an expected 5,960,000 for 1954.

Why the increase next year?

—In the U. S., the balance of opinion now seems to favor a slowly rising economic trend in 1955, says NAC. If this happens, U. S. newsprint consumption will likely rise 0.4% to 3.7% above the 6,150,000 tons expected in 1954.

(How this gain might be split is a little uncertain. Newsprint capacity in the U. S. will be up considerably, while supplies available from Scandinavia may be down a bit due to strong demand overseas. The likely range of Canadian shipments is put at 4,850,000-5,000,000 tons, against this year's estimated 4,875,000.)

—In Canada, economic activity is generally expected to be maintained or slightly higher. Population will be up. Thus, it's thought, Canadian demand might reach 425,000 tons, vs. 1954's estimated 410,000.

—Overseas shipments should continue the "striking upsurge" shown through 1950-54, which boosted them back close to levels of the late 1930's. Shipments next year are estimated at between 725,000 and 775,000 tons, against 1954's expected 675,000.

Humming at Full Steam

Rated capacity of Canadian mills for 1954 will hit 6,040,000 tons, up 120,000 from 1954's 5,920,000. Thus NAC's predicted production range of 6,050,000-6,150,000 tons would keep them humming full steam.

Production can top rated capacity because, of course, the rates figure is based on results to Oct. 1, 1954. New capacity added from then on — largely through machine speed-ups — means that Canada could probably turn out in 1955 even more than 6,150,000 tons, the upper level of the current estimates, if demand warrants.

While NAC looks for another record-breaking production in Canada, it does not see any likelihood of a world shortage of newsprint. Demand is rising fast, but so is capacity, and world output for 1955 is estimated at 12,283,000 tons. This would be up 560,000 tons from 1954's expected figure which, in turn, will be some 557,000 tons above 1953. These boosts are considerably larger than those in 1952-53, and compare favorably with increases of the earlier postwar years.

What about the slightly longer-term picture?

For Canada, naturally, the U. S. market is vitally important.

NAC points out that growth rate of U. S. newsprint consumption slowed appreciably 1950-54. The whole economy has advanced more slowly, it notes, while two other factors — television and the switch to narrower width newsprint rolls — have also influenced newsprint consumption.

"In all these circumstances, it would have been surprising for U. S. consumption not to have leveled off to some extent, "comments the association. "Indeed, in its actual performance there is reassurance that the 1950-54 experience is no more than a temporary hesitation in the long-term upward growth."

Overseas Demand

This year, the strength of overseas demand has been a real surprise to many industry observers, and NAC devotes a big share of space to a study of the European newsprint market. Europe, with an improved exchange position, has been a key factor in pushing 1954 Canadian output to record levels, but the area as a whole is still only now getting back to prewar consumption levels.

The association points out that a recent report of the Pulp & Paper Committee of Organization for European Economic Co-operation, for instance, estimated the 1950-60 newsprint consumption gain in member countries at 1,012,000 tons. Of the total, 462,000 would be expected from European sources and 550,000 imported, presumably from North America.

Yet newsprint capacity of member countries in the 1950-55 period will have risen by about 495,000 tons, more than the expected 10-year gain, while additions to capacity beyond 1955 totaling 481,000 tons have been announced. And by the end of this year Canadian shipments to OEEC members will have risen by about 300,000 tons, over 50% of the total rise expected in imports. They'll be even higher next year, with the U.K. alone expected to take 84,000 tons more.

Thus supply and demand in Europe are rising much faster and to a greater extent than expected. Conclusion: "It would appear that the long-term trend of rising European demand is being reasserted, reinforced by rising populations and industrial expansion."

NAC notes that most of the increase is being met from resources within the region, but added that some increase in imports from Canada has occurred and is expected.

Export Pattern Healthy

Overseas markets as a whole this year will take an estimated 11% of Canada's newsprint shipments, against a tiny 4% slice in 1950. The changed 1954 pattern, comments NAC, "appears more normal and healthy than at any time since 1946."

Taking a close look at some of the other overseas areas, NAC notes that a study published by UNESCO estimates Latin America's newsprint demand by 1960 will be up 266,000 tons from 1954. Another, prepared by FAO, puts the increase at 479,000 tons.

Latin America will only produce about one sixth of its needs in 1954. It has rich power and wood resources, but NAC says that "growth (of capacity) may be gradual and it appears likely that imports will also be expanded in the years immediately ahead."

Australian production, restricted since 1951 because of power shortages, is now rising, NAC states. New Zealand will start its first newsprint mill next year. But consumption is rising sharply in Australasia, and imports are expected to be needed to meet the growing needs.

In the shorter term, at least, Africa will likely meet its growing needs from higher imports, it is thought.

What's Ahead In Electronics

Industry last week got a panoramic view of the electronic age when Rogers Majestic Electronics Ltd. unveiled 80 new electronic devices in a three-day exhibit in Montreal.

The idea of the show: To acquaint designers, broadcasting engineers and other electronic specialists with most recent advances.

On display:

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The emphasis, as with all new electronics products, is on efficiency and compactness. All devices in the Montreal show are in mass production and available to purchasers.

St. John's Water System Gets Boost

From Our Own Correspondent

ST. JOHN'S — The waters of Petty Harbor Long Pond soon will be flowing from St. John's house taps.

City council is piping it in under a $900,000 program to boost critically low pressures in the west end of the city and in the area known as the Higher Levels.

At present, St. John's gets its water supply solely from Windsor Lake, nine miles from the capital.

City engineer Ron Martin said the project would be completed on time. Grant Mills Ltd., of Montreal, has been working with Concrete Products, St. John's, on the pond dam. Colonial Construction is building the water works building.

Germans Re-open Gold Coin Mart

The recent revival of the West German gold market is not expected to have any bearing on the course of Canada's gold industry.

The new market, located in the financial centre of Frankfurt, is an internal market dealing in minted gold rather than bullion. As such, it is of only academic interest to Canadian gold producers.

The market does offer a legal outlet for gold coins in West Germany at something resembling the going international rate. This trade had been outlawed from pre-war times until Oct. 19, when it was legalized by the Bank Deutscher Laender.

It is reported that the current Frankfurt market rate — 6% or 7% higher than the free international market price—is so attractive that foreign gold dealers are introducing gold coin into West Germany. This is contrary to West German regulations, but Frankfurt financial circles are said to be pressing for a greater degree of freedom, to permit legal trading between West Germany and other gold markets on the Continent.

Staff Changes

Chartered banks announce the following staff changes:

Commerce:

G. B. ALLWOOD, accountant, Glace Bay, N.S., to be in charge at Belleoram, Nfld.

C. E. ARMSTRONG, assistant accountant, Sudbury, Ont., to be accountant, Listowel, Ont.

J. D. BURKE, to be assistant accountant, Sudbury, Ont.

D. L. EAGLES, to be accountant, Glace Bay, N.S.

S. C. LOGAN, assistant accountant, Eighth Ave. West, Calgary, to be accountant, Vermilion, Alta.

W. P. PINEAU, assistant inspector, Regional office, Calgary, Alta., to be inspector, regional office, Calgary, Alta.

J. G. TICE, assistant inspector, head office, to be inspector, regional office, Vancouver, B.C.

G. T. W. WHATTAM, to be assistant accountant, foreign dept., head office.

R. J. WILSON, to be assistant accountant, Picton, Ont.

R. M. WILSON, assistant accountant, Picton, Ont., to be accountant, Smiths Falls, Ont.

G. A. ROBINSON, assistant accountant, Delhi, Ont., to be accountant, Simcoe, Ont.

R. STEVENSON, manager, Rouleau, Sask., to be manager, Naicam, Sask.

C. W. STUART, to be accountant, Bathurst and Lawrence, Toronto.

J. M. WALLER, assistant accountant, foreign department, head office, to be accountant, foreign department, head office.

E. W. BELL, accountant, St. Laurent, Que., to be accountant, Huntingdon, Que.

G. DERY, ass't. accountant, personal loan department, Montreal, to be accountant, personal loan department, Montreal, Que.

J. E. P. POUPART, accountant, personal loan department, Montreal, to be manager of Notre Dame East & Duquesne, (Longue Pointe), Montreal.

F. W. QUARTERMAN, to be assistant accountant, Delhi, Ont.

C. B. SAUNDERS, an ass't. accountant, Winnipeg, to be manager, bond department, Winnipeg.

L. A. SANDERSON, to be an ass't. accountant, personal loan department, Montreal Que.

L. S. WILSON, accountant, Huntingdon, Que., to be accountant, St. Laurent, Que.

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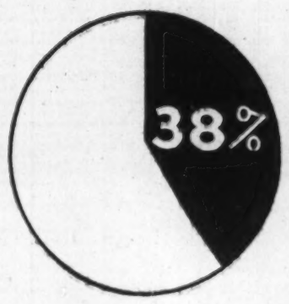

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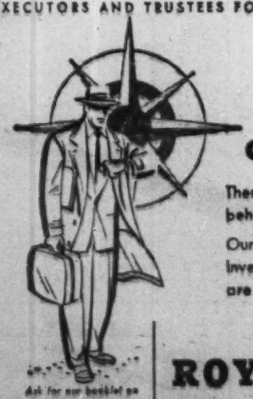

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THE WEEK'S QUOTATIONS

Quotations here listed are the official exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto Winnipeg, Calgary and Vancouver

WEEK ENDING NOVEMBER 26, 1954

Range 1954 High	Low	Div. Rate $	Yld Nov 26 %	Company	Sales	Last Week End. Nov. 19	H	Nov. 26, 1954 L	Close
26¼	16½	1.30	...	Abitibi	28499	25¼	26	25¼	25¾
26¼	25	1.12½	4.3	Do. 4½% pref.	1782	26¼	26¼	25¾	26
8¾	6	.50	5.9	Acadia Atlan.	2294	8¼	8¾	8¾	8¾
106¼	100	5.00	4.8	Do. 5% pref.	20	105¼	105¼	104	105¼
22¼	17	1.20	5.5	Do. (A)	1250	22	22¼	22	22
91	7	.40	5.5	Agnew Surp.	60	7¼	8	7¼	7¼
10	8	.55	5.7	Do. pref.	21	9½	9½	9½	9½
2.25	1.25	.	...	Albt. Dist.	5000	1.65	1.70	1.50	1.50
2.20	1.35	.	...	Do. V.T.	1900	1.75	1.70	1.61	1.67
48¼	39½	.	...	Algoma Steel	11214	45¼	48¼	45¼	47¾
26¼	23	1.00	3.9	Alum of Can p.	320	26¼	26¼	25¼	25¼
108	104	5.25	4.9	Do. 2nd pfd.	415	106¼	107¼	106¼	107
72¾	46	×2.00	..	Aluminium	8477	68¾	69	67¾	68¼
9	6	×.40	..	Andian Nat.	100	6	7	7	7
38	25	2.00	5.3	Ang. Cdn. Pulp	10612	35¼	38	35¼	37½
55	48¾	2.80	5.1	Do. pref.	565	54¾	55	54¼	54½
53	39	2.25	4.9	Ang. Can. Tel. p	680	46	46	46	46
12	7½	.60	5.5	Ang. Nfld.	13635	10¼	11	10¼	11
22¼	20¼	.	...	Anthes Imp.	225	22	21¾	21¾	21¾
2.60	1.75	.	...	Arcan Corp.	6175	1.95	1.15	×.95	1.05
19½	12½	.60	3.2	Argus	6013	19¼	19½	18¾	18¾
16½	8¾	4.50	4.6	Do. 4½% pref.	235	98	98¾	98	98¼
34	24¾	1.00+.25	...	Asbestos	8438	30¼	34	30¼	33
18	15¾	1.00	6.1	Ashdown Hd B.	250	16	16½	16	16½
16½	10¾	•	...	Atlas Steels	3860	13¼	13¾	13¾	13¾
26	27½	1.00+.20	3.8	Bk. Can. Nat.	1625	36	36	35¾	35¾
48¼	35½	1.20+.20	2.8	Bk. Montreal	7990	43¾	43¾	42¾	43¼
3.50	2.45	.	...	Do. Rts.	22003	3.40	3.40	3.15	3.30
51¼	42	1.60+1.20	...	Bk. N. Scotia	4280	51	51¼	50¼	50¾
58	41½	1.40+.60	...	Bk. Toronto	1326	55	55¾	54¾	55
11¼	9¼	1.00	10.0	Bates & Innes A	50	10	10	10	10
60	40¾	3.00	5.0	Bathurst Pr. A.	1230	59¼	59¾	58	58
42	16	×.75	..	Do. (B)	958	39	40	38	38
7¾	6¼	.40	6.0	Beauty Bros.	720	6¾	7	6¾	6¾
85¾	52	3.00+.50	...	Beaver Lumber	20	82¼	85¼	85	85¼
45¼	39½	2.00	4.4	Bell Telephone	18178	45¼	45¾	45¼	45¼
16	13¼	1.00	6.5	Brahm. Cord. A	350	15¼	15¼	15¼	15¼
9¼	6¾	1.03+	stk.	Brazilian Tr.	35551	6¾	7¾	6¾	7¾
50	46½	2.90	6.1	Bridge & Tank p	20	47	47¼	47	47¼
1.65	1.50	.	...	Do. Warr.	35	1¼	1¼	1¼	1¼
10¾	5¼	.	...	Bright, T. G.	373	9¼	10¼	10	10
22	17½	1.15	5.8	Do. 5% pref.	458	21	20	20	20
22	15½	1.00	4.5	Br. Am. Bk. Nts	600	21	22	21	22
29¼	20½	.85	3.0	Brit. Amer. Oil	22300	28¾	29	28¾	28¾
9¾	7¾	4.00	4.3	B. C. Elec. 4% pf.	200	93	93	92	92
105¾	90	4.75	4.6	Do. 4½% pref.	297	102¾	103	102¾	102¾
54	48	2.50	4.8	Do. 5% pref.	265	52¼	52¼	52	52¾
50¼	49½	.	...	Do. 4½% pfd.	460	50	50	50	50
8¼	5¾	.40	4.7	B.C. Forest	19065	8	8¼	8	8¼
17	12	.75	4.6	B.C. Packers A	100	16¼	16¼	16¼	16¼
13	9	•	...	Do. (B)	100	12¼	13	13	13
25¾	17¼	1.00	4.0	B.C. Power	6752	24¾	25	24¾	25¼
45¼	35	2.00	4.7	B.C. Tele.	1421	43	43	42¾	42¾
85	70	.	...	B.C. Turf	200	85	85	85	85
16¾	8¼	.	...	Brown Co.	17115	15¼	15¾	14¾	14¾
117	87	×5.00	..	Do. 1st pref.	531	108½	109	105	106
52¼	49¼	×3.00	..	Do. 2nd pref.	530	51¼	52	51¼	52
12¾	8	•	...	Bruck S. Mills A	305	10¼	11	10¼	10¼
12	4¾	•	...	Do. (B)	900	5	5¼	5	5¼
47	35½	1.80	3.9	Building Prod.	717	46¼	47	46	46
26½	19½	1.00+.50	...	Burlington Steel	576	25¾	26¼	25¾	26¼
59¾	37½	2.00+.50	...	Burns & Co. B	230	45¼	46¾	45	46
8¾	7	.45	5.5	Burrard D.D. A	750	8¼	8¼	8¼	8¼
7.00	4.90	•	...	Butterfly Hos.	375	5	5¼	5	5
14¼	12	.80	6.7	Caldwell Linen 2p	120	12	12	12	12
106	100	5.00	4.8	Calgary Pr. 5% p	117	105¼	105¼	105	105
3.50	2.75	.10	...	Canada Bread	100	3.15	3.15	3.05	3.15
53	46	2.50	4.7	Do. pref. B.	10	52	53	53	53
143	84	×4.00	..	Canada Cement	2501	135	143	135¼	141½
31¼	28¼	1.30	4.3	Do. pref.	1150	30¼	31¼	30¼	30¼
9	7¼	.	...	Can. Cr. & C. S.	1405	7¼	7¼	7	7¼
22	16½	1.00	4.8	Can. & D. Sugar	4626	21	21	20½	20¾
17	7½	.40	2.7	Can. Foils	50	15	15¼	15	15
17	13	×.60+	...	Do. A	10	17	17	17	17
24¼	19¼	1.20	5.2	Can. Iron	4545	23¾	23¼	23	23¼
151	78½	3.00	2.0	Can. Life	1033	141	151	142	151
72	51½	2.00+	*1.00	Can. Malting	435	70	71	69	70
15¾	10	.60	4.2	Can. Nor. Pr.	135	14¼	14¼	13¾	14¼
38	32¾	1.50	4.6	Can. Packers A.	410	38¼	39¼	38¼	39
37	31	1.50	4.3	Do. (B)	125	34¾	35	35	35
88	58	2.60+	*.20	Can. Perman.	410	85¾	88	85	86¼
106	100½	5.00	4.8	Can. Safeway 1 p	20	104	105	105	105
28½	22	.25	1.1	Can. Steams p n	135	24¼	24	23¼	23¾
13¾	12	.62½	4.8	Do. pref.	1131	13	13¼	13	13
69	40	3.00	5.0	Can. Vinegars	5	19	16	16	16
132	132	4.00	3.0	Can. W. Cable A	5	133½	132	132	132
69¼	60¾	3.00	4.4	D. (B)	20	67	69	67¼	67¾
75	60	1.00	1.4	Canadia Arena	85	70	70	70	70
45	32½	1.20	2.7	Cdn. Bk. Com.	7652	43¼	45	43	45
27	21¾	×1.25	..	Cdn. Breweries	11937	25¼	25¾	24¼	24¾
36	29¼	1.25	4.3	Cdn. Bronze	185	30	29¼	29¼	29¼
30¾	22	2.00	6.9	Cdn. Canners	1753	29	29	27¾	29
25¾	16½	.80+	*.20	Cdn. Car. & F'y	2895	24¼	24¼	24¼	24¾
25¼	18½	1.00	4.1	Do. pref. A	3922	24¾	25	24¼	24¼
24¼	18	×.75	...	Cdn. Celanese	2767	23¾	23¾	23	23
36	29	1.75	4.9	Do. $1.75 pf.	1260	35¾	36	35	35¼
9¾	6¼	.	...	Cdn. Chem.	1805	9¼	9¼	9¼	9¼
9.75	6.30	.	...	Cdn. Collieries	5813	8.70	9.10	8.65	8.80
4¼	3¼	.	...	Cdn. Converters	24	3¼	3	3	3
4	3¼	.	...	Do. (B)	6	4	4	4	4
24¼	14	.	...	Cdn. Cottons	325	16¼	15	15	15
74¼	50	1.70	2.7	Cdn. Dredge	675	60¼	64	61	64
17¾	15	1.00	4.5	Cdn. Fairb.	1755	15¾	16¼	15¾	16
23¼	22¼	1.00	4.4	Cdn. Fairb.	150	24	23½	23	23
3.75	1.15	•	...	Cdn. Food Prod	100	1.15	2.00	2.00	2.00
7	3½	•	...	Do. (A)	420	3¼	3¾	3¼	3¾
64	30	•	...	Do. pref.	57	33	40	37	40
29¼	23¾	1.10+	.18	Cdn. Ice Mach A	332	28	29	28¼	28¼
11¼	10	.80	7.9	Cdn. Ice Mach A	100	10	10¼	10¼	10¼
25¾	17¼	1.00	4.6	Cdn. Indus. '54	18025	22¾	24	22¾	23¾
99	90	××*	.93	Do. pref. '54	6	95	95	93	93
1.15	.60	.	...	Do. Rts.	136361	.70	1.00	.80	.97
82	70	×3.00	..	Cdn. Ingersoll R	110	81	82	80	82
22	14	•	..	Cdn. Locomo.	270	19	19	18¼	18¼
17	12	×3.00	..	Cdn. Marconi	16690	6	7¼	6	6¾
17	12½	.50	3.1	Cdn. Oil	2380	16¼	16¾	16	16
106	100	5.00	4.7	Do. 5% pref.	60	105¼	105¾	105¼	105¼
4.15	1.65	.	...	Do. warr.	1000	2.95	3.00	2.80	2.80
28¼	20¾	×1.50	..	Cdn. Pacific	9657	27¼	28¼	27¼	28¼
22¼	12	.	...	Cdn. Petrofina p	7126	20¼	21¼	20¼	20¼
6¼	2	.	...	Cdn. Pr. & P. S.	200	6	6	6	6
11¼	6½	.	...	Cdn. Salt	23	11¼	10¼	10¼	10¼
12¼	8¼	×.95	..	Cdn. Silk A	5	8½	9	9	9
105	99	5.00	4.8	Cdn. Utilities pf	23	104¼	104¾	104¼	104¾
34	17	1.50	5.2	Cdn. Vickers	2990	29	29¼	28¾	29
16	6¼	×.25	..	Cdn. Wallpap. B	125	13	12¾	12¼	12¼
14¼	10	.	...	Cdn. W. Lumber	1210	13	14¾	13	13¾
78¼	60	2.00	2.6	Cdn. Westingh'se	23	75¼	76	76	76
5.50	4.75	×.11	+.04	Capital Estates N	325	4.95	4.95	4.90	4.95
108	102	7.00	6.5	Casmont, pref.	40	106	108	107	108
26¼	22¼	1.25	5.4	Catelli Food B.	25	35	36	36	36
46¼	40¼	1.20+	*.05	Chart. Trust	10	45	46	45¼	45¼
15½	10¼	1.00	6.7	Ch. Gal Wines	110	15	15	15	15
67¼	55½	×4.50	..	Chrysler Corp.	390	58¼	62	60¼	61¾
3.85	3.00	•	...	Claude Neon A.	3	3.60	3.65	3.63	3.65
3.80	3.30	•	...	Do. (B)	590	3.65	3.65	3.60	3.65
70	35½	.	...	Do. pref.	59	63	62	60	60
41	34	.24+	*.03	Coast. Brew.	400	40¾	4.65	4.60	4.65
17¼	13	.	...	Cochrane-D.	150	17¼	15	15	15
17¼	15¾	stk	....	Do. (A)	170	17	17¼	17¼	17¼
11¼	6¾	•	...	Cockshutt Farm	3430	7	7¼	6¾	7
158	58	1.50	1.0	Conf. Life	985	148	158	150	155
8¾	6¼	×.50	..	Cons. Bakeries	5	7¼	7¼	7	7
.85	.70	.	...	Cons. Div. Sec. A	70	.71	.72	.70	.70
25	22	1.50	6.5	Do. pref.	24	22¼	23¼	23	23
6¾	4¾	1.50+	2.75	Cons. Paper	10594	61	62¾	60¼	60¾
8	4	•	...	Cons. Press A	305	4¼	4¼	4	4
20¼	12½	.80+	*.40	Cons. Smelt.	14795	29¼	29¼	29¼	29¼
9	5¼	.	...	Cons. Textiles	5	7	9	9	9
25	16	.80	3.6	Consumers' Gas	7049	23	23¼	22¾	22¾
30	24½	1.50	5.7	Consumers Glass	1140	26¼	26¼	26	26¼
16	10¾	*1.10	..	Corbys A	13290	15¾	16	15¾	16
7	3	*.50	1.0	Do. B	537	15	15	14¾	14¾
12¾	9	.70	5.8	Cosmos Imp.	430	12¼	12	12	12
4	3	•	...	Craig	500	3.90	4.30	3.90	4.30
62	34	×1.95	..	Crown Zeller	1613	60	62	60	61¼
51	42	3.00	5.9	David & Fre. A	50	51	51	51	51
16	12	•	...	Davis Leather A	215	8¼	8¼	8¼	8¼
3	3	.	...	Do. (B)	5	3	3	3	3
160	98	*1.00	..	De Havilland A	10	135	140	140	140
35	27¼	1.20	+.50	Distill-Seagram	12640	33¾	34¼	33¾	34
44¾	31	1.20	+*.10	Dom. Bank	3730	41¼	42	41¼	41¾
25¾	15¼	.30	....	Dom. Bridge N.	8235	19¼	19¾	18¾	19¼
9	6	.	...	Dom. Coal, pref.	1161	7¾	9	7	7¾
14	12½	.80	5.9	Dom. Corset	125	13¼	13¼	13¼	13¼
6¼	4¼	.	...	Dom. Dairies	291	5¼	6	5¼	6
54	21	.	...	Dom. Electro	100	4.50	4.45	4.45	4.45
23¼	21	.60	+*.40	Dom. Engineer.	835	24	24	23¾	23¾
10	9	*.60	....	Dom. Fabrics	35	9¼	9¼	9¼	9¼
24¼	20	1.50	8.6	Do. 2nd pref.	70	24¼	20¼	20¼	20¼
4¾	3¼	.60	3.4	Dom. Foundry	7712	17¼	18	17¼	17¾
104	98¼	4.50	4.4	Do. 4½% pf.	90	102¼	103	102¼	103
45	35¾	.80	+2.62½	Dom. Glass	1385	40	42	38¼	40
17¾	15¾	.70	4.1	Do. pref.	375	17¼	17¾	17	17
15¼	11	××*	.50	Dom. Magnes.	2372	12¾	13	12¾	13
28	27¼	1.60	+*.40	Dom. Oilcloth	300	37¼	36¼	36	36
16¼	11¾	.50	+.25	Dom. Scot. Inv.	25	16¼	16¼	16¼	16¼
51	46	2.50	5.0	Do. pref.	25	50	50	50	50
80	66	4.00	+*1.00	Dom. Square	105	79	80	80	80
17¼	9¾	1.00	5.8	Dom. St. & C.	103446	15	17¼	15	17¼
32	18½	.80	2.6	Dom. Stores	5671	31	32	31	31
10¼	7¼	.40	4.0	Dom. Tar & Ch.	9446	10	10	9¾	9¾
21	20¼	1.00	4.3	Do. pref.	550	23¼	23¼	23¼	23¼
7¾	6	•	...	Dom. Textile	8725	7	7¼	7	7
31	2	.	...	Dom. Woollens	45	2¼	3	2¼	2¼
27¼	15½	1.20	4.6	Donohue Bros.	3035	25	27	25¼	26
25¾	18½	.	...	Dow Brew.	1967	25	25	25	25
34¼	24¾	×1.10	..	Du Pont of Can.	9054	29	30¼	29	30¼
96	90	.	...	Do. pref.	1	99	92	92	92
3¼	2	.	...	East Koot. Pr.	200	2	3	3	3
6.50	3.75	.	...	East. Steel	800	4.50	4.50	4.25	4.30
7	5¼	.20	+*.30	Easy Washing	110	7	7	6¼	7
32	25	1.00	+1.50	Economic Inv.	94	31	32	31	31
33¼	22	1.00	3.3	Eddy Paper	1735	30	304	29½	30¼
13¼	9¼	×1.00	..	Electrolux	100	12	12	12	12
34	22	*.65	5.7	Enam. & Heat.	324	7¼	7	7	7
25	19¼	1.04	4.6	Estabrooks pref.	65	22¼	22¼	22¼	22¼
27¼	19	1.50	+*.10	Famous Players	7873	27	28¼	26¼	27¼
29¼	20	×1.50	..	Fanny Farmer	3365	26	29¼	26	29¼
30	19	.	...	Federal Grain	985	29	29	28	28¼
9	7¼	.	...	Fittings	110	8¼	8¼	8	8
12	10	.60	6.0	Do. (A)	90	10	10	10	10
9	3	•	...	Flash Fast. pref.	30	8	8	7	7
2.55	1.15	.	...	Fleet Mfg.	5450	1.85	1.90	1.75	1.80
105	63½	3.00+	*1.25	Ford Motor A.	4239	98¼	105	97¼	103¼
55	30	.	...	For. Pr. Secs.	65	50	52	51	52
21¾	12	.17½+	*.10	Foundation Co.	3172	17¾	18¼	17¾	18¼
24	15¼	1.00	4.2	Fraser Cos.	12020	23¼	23¾	22¾	23½
29	20¼	1.20	4.3	Gatineau Pwr.	5086	28	28¼	27¼	27¾
112	104	5.00	4.5	Do. pref. 5%	25	111¼	112	111¼	112
115	109½	5.50	4.8	Do. 5½% pref.	35	114	114	113¾	114
71	3	.20	2.9	Gen. Bakeries	275	6¾	7	6¼	6¾
75¼	58	×.25	+21.00	Gen Dynamics	860	68¼	69	67	67¾
92	55	×5.00	..	Gen. Motors	545	87	90¼	88	89
16¼	10¼	*.60	....	Gen. St. Wares	325	16½	16¾	16¼	16¾
105	99	5.00	4.8	Do. pref.	75	103	105	103	104
380	97	4.00+	*2.00	Goodyear Tires	170	178	175	170	175
53	48½	2.00	3.8	Do. pref.	900	52¾	52¾	52¼	52½
7	3¾	.50	6.9	Gord. MacKay A	590	7¼	7¼	7	7¼
30¾	18½	1.60	5.4	Gt. Lakes Paper	2080	30¼	30¾	29¾	30
8.65	3.95	.	...	Gt. North Gas	4030	5.05	5.65	4.95	5.45
9¼	5	.30	7.4	Gt. West Coal A	375	6¾	7	6¼	6¾
8¼	4¼	*.25	....	Do. (B)	1575	5.00	5.00	4.95	4.95
193	77	2.00	1.0	Gt. West-Life	65	187	195	185	195
18¼	13½	.60	3.7	Guaranty Trust	10	18¼	16¼	16¼	16¼
49	32¾	11.20	..	Gypsum, Lime	2663	43¼	49	47	48¼
17¾	14¼	1.00	5.8	Hahn Brass	10	16¼	17¼	17¼	17¼
15¼	14	.80	5.3	Do. (A)	100	15	15	15	15
100	98	5.00	5.1	Ham. Col. 5% pf.	10	98	98	98	98
91	74	.80	10.0	Harding Carpet	200	8	8¼	8	8
38¼	33	1.50	4.5	Hayes Steel	325	33¼	33¼	33¼	33¼
50	27¼	1.40	2.8	Hinde & Dauch.	1121	49	50	49	49¼
7.00	4.70	.60	10.0	Holden Mfg. A.	50	4.70	6.00	6.00	6.00
18¼	16	.	...	Ho. De LaSalle.	5	18	18¼	18¼	18¼
28	18½	1.00	3.9	H. Smith Paper.	4995	26	26¼	25¾	26¼
51	44½	2.00	3.9	Do. pref.	9	51	51	51	51
18¾	12¾	.65	1.6	Huron & E. Mi.	49	147	154	153	154
6¼	4	*.30	....	Hydro Electric	17	6	6¼	6¼	6¼
49¼	36½	1.20+	*.30	Imperial Bank	1215	48¼	49¼	47	47
41¾	31	1.00	3.3	Imperial Life	1035	30	34	30¼	33¾
24¾	19¼	1.00	4.3	Imperial Oil	24796	38¾	39¾	38¾	39¼
11	9	.40+	*.07½	Imperial Tob.	8850	9¾	9¾	9¼	9¾
28	22	1.00	4.0	Do. 4% pref.	1015	25¼	25¼	24¼	24¼
7½	6	.60	8.5	Do. 6% pref.	1185	6¾	6¾	6¼	6¼
51¼	34½	2.50	4.8	Indust. Accept.	7668	50	51¼	50	51¼
97	84	4.25	4.4	Do. 4½% pref.	45	97	97	97	97
105¾	94½	5.00	4.8	Do. 5% $100 p.	50	103	105	105	105
50	34½	1.50	3.0	Do. 5% $1.50 p.	25	48¾	50	50	50
51¼	39	2.00	3.9	Do. 5% p. $40 p	1510	50¼	51¼	50¼	51
12¾	7	.40	....	Inglis, John	5578	8¾	9	7¾	8
6.00	3.00	*.10	....	Inter. Bronze	360	4	6	3¼	4
18	15	1.50	8.3	Do. pref.	73	18	18	17¾	18
38	29	1.60+	*.40	Int. Metal Ind. A	11105	34¾	37	34	37
104	96	4.50	4.4	Do. pref.		103¾	103	103	103
57	34¼	2.00+	*.90	Inter. Nickel	51791	52¾	57	52¼	57
133½	128	×7.50	..	Do. pref.	190	134	133½	132¾	133½
15¾	9	.	...	Inter. Paints A	10	12	12¼	12¼	12¼
85	53¼	3.00+	•	Int. Paper	2280	80½	84	81	81¼
26¾	18¼	1.00	....	Int. Pete.	6786	21¼	24	21	24
136	78	2.40	1.8	Int. Power	300	130	134	130	132½
36¼	28¼	1.40	....	Int. Util.	1643	35¾	36¼	35¼	36¼
36¼	30½	1.80	....	Do. pref.	295	35¾	36	36	36
35	24¼	1.20	5.5	Interp. Bldg. Cr.	125	14¼	14¼	14	14¼
29	20¼	.45	....	Interp. Pipe	19277	27½	28¼	27½	23
9¼	5¼	.	...	Interp. Util.	2000	8¼	9¼	8¼	9¼
17¼	15	1.00	6.1	Jam. Pub. Ser.	2250	16¼	16¼	16	16¼
70	62½	×3.00+	*1.25	Johns-Man.	5	69	70	70	70
25¾	19¼	1.50	6.4	Kelvinator	610	23¾	23¾	23¼	23¾
22	17	1.00	4.9	Labatt, John	1913	20¼	20¼	20	20¼
44	27½	1.60	3.6	Lake of Woods	996	43¼	44	43	44
15¾	8	.60	4.0	Lambert, Alf. A	150	15	15	15	15
19	11¼	.60	3.2	Do. (B)	1173	19	19	18	19
12	9	•	....	Lang, J. A.	100	9¼	9¼	9¼	9¼
17¼	13¾	.80	4.6	Laura Secord	435	17¼	17¼	17¼	17¼
14¾	10½	.60	4.9	Laur. Acdept. A	1965	12¼	12¼	12¼	12¼
27	13	.60	2.7	Do. (B)	100	21	22	22	22
17	16	.	...	Low. St. Law. Pr.	50	16¼	16¼	16¼	16¼
21¼	15¼	1.00	....	Lowneys	125	20	20	20	20
71	54	2.00+	*.50	Maclaren Pr.	830	66	67	67	66¾
26¾	17¾	.80	3.1	MacMil & Blo B	17304	23¼	26¼	23¼	26
88	81	5.00	5.7	Mailman Corp. p	30	88	88	88	88
20	18	1.00	5.0	Do. c.c. pref.	300	20	20	19½	20
10	7	.50	5.3	Maple Leaf M.	735	9¼	9¼	9¼	9¼
9¼	7¼	.60	6.8	Massey-Harris	31769	8¼	8¼	8¼	8¼

Unlisted Stocks

(Compiled by Intercity Securities Corporation Limited, Toronto)

November 30, 1954

	Bid	Asked
Alexander Bldg. Corp. ..	5.00	8.00
Algoma C. & H.B. R. com.	11.75	12.75
Do. pfd.	1.25	....
Allens Toronto Units	43.00	....
Anglin Norcross pfd. ...	.90	....
Angle Can. Tel. A	12.25	13.00
Ash Temple com.	2.35	3.00
Bowes Ltd. 1% pfd.	.65	.75
Brinton Peterboro Carpet	48.00	50.00
B. C. Sugar	99.00	101.00
Brit. Mtge. & Trust	210.00	215.00
Breckville Tr. & Sav. ...	63.00	65.00
Can. Crushed St. 6% pfd.	93.50	....
Can. Cons. Grain com. ..	5.00	8.00
Can. Cons. Gr'n Units ..	88.00	....
Can. Foreign Sec.	10.75	12.00
Can. Delhi Pete	9.50	10.25
Can. Motor Lamp	20.25	22.00
Can. Refractories pfd. ..	94.00	....
Can. West. Nat. Gas pfd.	18.25	19.25
Capital Wire Cloth com.	14.00	....
Chase, Dr. A. W. com. ..	1.85	....
Colonial Stmshp. com. .	190.00	215.00
Do. pfd.	67.00	71.00
Commercial Life 10% pd.	13.00	....
Concourse Bldg. V.T. ...	40.00	....
Cons. Toronto Land W. ..	.25	....
Crown Life Insce.	1,800.00	1,925.00
Deben. & Sec. 6% pfd. ..	90.00	93.50
Detroit Internat. Bridge	18.75	19.75
Dom. Can Gen. Insce. ..	350.00	....
Dom. Linseed pfd.	3.00	....
Dom. Manufacturers pfd.	90.00	95.00
Do. com.	1.25	....
Dom. Royalty Corp.	.48	....
Dover Industries	9.00	9.65
Empire Acceptance	6.25	7.50
Essex Packers com.	1.75	2.25
Do. pfd.	25.00	....
Gait Brass	38.50	....
Goderich Elev. & Transit	21.00	....
Granite Club	14.00	14.75
Gt. Brit. & Can. Inv. Com.	4.65	4.90
Do. pfd.	107.50	110.00
Gt. Lakes Power Com. .	12.75	13.50
Great West Life Assce .	195.00	199.00
Guarantee N. Amer. f. pd.	410.00	430.00
Do. 20% pd.	415.00	435.00
Halifax Insurance	12.75	13.75
Heaps Waterous	1.75	2.25
Highland Dairy pfd.	43.00	....
Homewood Sanitarium ..	91.00	95.00
Hudson's Bay Co.	19.75	20.00
Humberstone Shoe	12.00	13.50
Ingersoll Mach. Tool B ..	4.00	....
Ingram & Bell. pfd.	104.00	....
Indus. Mtge. & Trust ..	68.00	....
Jenkins Bros. com.	31.00	34.50
Lambton Golf Club	200.00	....
Lambton Loan, Sarnia .	78.00	....
Lawson & Jones 1% pfd.	.65	....
Lond. Can Inv. $3.00 pfd.	47.00	50.00
Do. A	37.50	....
London Life Assce.	61.00	....
Manufacturers Life	171.00	174.00
Maxwell Ltd. $6.00 pfd.	* 75.00	80.00
Medical Arts Bldg., Tor.	43.50	45.00
Monarch Life 40% pd. .	180.00	....
Nat. Sewerpipe new pfd.	12.75	....
(with bonus com.)		
New Brunswick Tel.	12.75	....
Niagara Lower Arch Br.	64.00	....
Northern Tel.	1.75	2.00
Oakville Golf Club	20.00	30.00
Oakville Wood 6% pfd.	89.00	94.00
Para, Oshawa Theatres .	12.50	....
Park Lawn Cemetery ..	1.35	....
Prudential Trust	16.00	....
Reliance-Pete A & B ...	20.50	....
Do. pfd.	42.00	....
Ritchie Cut Stone pfd. ..	13.00	....
Rob. Jones Whitman pfd.	20.00	25.00
Royal Oak Dairy B	2.75	....
Sawyer Massey com.	3.25	4.50
Second Stand. Royal pfd.	.03	.04
Sincennes McNaugh. Line	3.25	....
Skyway Drive-In Theatre	1.25	2.00
Sovereign Life 25% pd.	65.00	70.00
Stantields Ltd. A	10.00	11.00
Do. B	9.50	....
Standard Fuel 4½% pfd.	35.00	37.00
Do. com	2.00	3.00
Summit Golf	18.00	....
Sun Life Assce.	242.00	249.00
Toronto London Inv. ...	2.20	2.50
United Steel 6% pfd. ...	26.00	27.00
Unsteel Cooler pfd.	85.00	90.00
Waterloo Mfg.	8.25	8.75
Western Assce.	115.00	....
Wood Alexander 7% pfd.	85.00	90.00
York Trading div $2.00 .	18.50	....
By Kippen & Company Inc., Montreal		
Algoma C. & H.B R. com.	12.00	12.50
Beauharnois Lt., H. & P.	30.00	....
Calgary Power	27.00	....
Consolidated Theatres A	7.50	8.25
Do. B	3.50	4.25
Cuban Canadian Sugar .	10.00	14.00
Dupuis Freres pfd.	23.00	24.00
Foreign Power pfd.	50.00	53.00
Guarantee Co. of N. Am.	415.00	435.00
Guardian Realty	2.00	....
Hart Battery com.	8.00	10.00
Hudson's Bay Co. (new)	19.50	20.25
London Canadian A	36.50	....
Maritime Teleg. & Tele.	17.50	....
Montreal C. & D. Sav. B.	47.50	....
New Brunswick Tele. ..	12.50	13.50
S. Nord Chemical Co. ..	.75	....
N. S. Light & Power ...	27.75	29.00
Ont & Que. R 5% c. stk.	122.00	....
Prov. Bank of Canada .	21.00	21.75
Prudential Trust Co. ...	15.00	18.00
Sherbrooke Trust Co. ...	150.00	....
Strategic Materials	4.00	5.00
Sun Life Assurance Co.	245.00	250.00

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 11	Pulp and paper 9	Mill-ing 3	Oils 5	Textiles and cloth-ing 10	Food and allied prod. 14	Bever-ages 10	Bldg. mater. 15	Power and trac-tion 9	Banks 8	Total utili-ties 12	Total co's 99
*1953 to date:												
High	536.5	813.4	160.6	178.6	410.5	152.0	526.5	374.1	161.2	225.7	176.9	202.9
Low	89.7	51.6	61.2	41.2	78.4	79.5	79.3	66.7	60.2	60.0	62.5	61.1
1954												
Monthly Figures:												
Jan.	395.3	562.6	129.3	126.1	168.8	122.9	434.5	283.6	131.5	185.5	149.1	157.4
Feb.	418.4	589.4	129.9	136.3	158.4	123.6	447.9	286.8	134.0	189.6	151.9	163.2
Mar.	432.8	596.4	131.1	136.4	166.3	123.8	440.0	285.2	137.2	192.5	153.3	165.0
Apr.	458.8	628.5	133.9	145.4	163.1	124.6	453.6	298.6	145.0	195.4	159.5	173.6
May	474.2	679.8	137.6	147.6	153.2	133.0	476.4	322.8	152.6	204.0	162.4	179.5
June	469.1	685.1	134.0	142.8	151.4	136.8	474.5	321.7	151.8	212.2	167.2	180.5
July	503.6	718.4	138.3	138.2	151.6	135.5	480.1	331.4	156.4	216.4	169.4	182.3
Aug.	520.8	744.3	145.4	142.1	161.2	142.6	497.6	348.5	156.7	217.3	170.2	187.0
Sept.	510.7	750.1	151.9	145.0	154.1	144.5	509.4	347.6	159.0	215.0	170.4	189.5
1954												
Weekly Figures:												
Oct. 7 ..	499.6	743.1	138.6	147.5	166.5	146.2	502.6	343.3	159.2	216.2	171.2	189.9
Oct. 14 ..	495.9	727.0	136.4	148.4	158.3	143.9	496.9	342.6	160.8	216.7	171.7	188.9
Oct. 21 ..	509.4	744.6	137.5	150.4	179.2	144.1	502.4	342.3	158.1	217.6	172.3	190.9
Oct. 28 ..	491.3	735.1	137.8	156.9	174.1	145.4	498.0	340.6	156.9	219.1	170.2	191.2
Nov. 4 ..	513.0	761.7	160.6	158.3	169.3	149.5	507.5	341.6	156.5	221.5	171.0	196.2
Nov. 11 ..	522.0	782.0	158.9	157.9	168.7	150.9	525.8	353.6	154.7	225.3	174.0	199.2
Nov. 18 ..	528.4	800.0	155.3	157.2	171.6	151.3	519.4	365.4	156.5	225.7	174.9	199.7
Nov. 25 ..	529.4	813.4	158.8	160.3	171.0	152.0	526.5	374.1	158.9	224.5	175.5	202.9

*High and low for year from 1935 to date inclusive are based on weekly figures issued by the Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	15 B.M.	15 W.O.
Nov. 29	373.94	77.66	137.31	93.79
Nov. 26	374.29	78.18	137.35	94.10
Nov. 25	373.46	78.05	137.20	93.54
Nov. 24	373.27	77.58	135.86	94.02
Nov. 23	371.15	76.86	133.88	93.81
Month Ago .	354.66	74.62	148.65	87.83
Year Ago	308.67	67.99	144.88	89.42
1954 High	374.58	79.84	137.69	102.11
1954 Low	311.85	67.74	136.96	83.06

Montreal Stock Exchange Averages

	10 Util.	20 Indus.	20 Com.	10 Prps.	15 Golds
Nov. 29 ..	116.1	238.9	197.8	1105.50	64.89
Nov. 26 ..	116.5	237.8	197.3	1108.22	65.89
Nov. 25 ..	116.7	236.8	196.8	1112.08	65.45
Nov. 24 ..	116.6	236.9	196.8	1106.56	64.46
Nov. 23 ..	116.6	236.4	196.4	1099.67	61.87
Mon. Ago	113.5	218.4	183.4	1020.49	60.30
Year Ago	93.2	181.0	151.7	776.12	48.87
1954 High	116.7	238.9	197.8	1112.08	65.89
1954 Low	92.4	132.0	153.4	767.09	48.69

Dow-Jones Closing Stock Averages

	30 Indus.	20 Rails	15 Util.	65 Stocks
Nov. 29	388.51	133.04	60.87	142.32
Nov. 26	387.79	132.27	60.75	142.10
Nov. 25	....	....	....	....
Nov. 24	384.63	131.08	60.69	141.09
Nov. 23	382.74	130.36	60.78	140.49
Month Ago .	353.96	118.53	57.78	129.86
Year Ago	281.37	98.86	52.33	107.47
1954 High ..	388.51	133.04	61.58	142.32
1954 Low ..	279.87	94.84	52.22	106.03

Government Bonds

Nov. 30, 1954 (Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask'
Govt. of Canada Bonds:			
3	Jan. 1959	100¼	100¼
3	June 1960	101	101¼
4½	Feb. 1962	101¼	101¼
3	Oct. 1963	101¼	101¼
3	Sept. 1966	100¼	101
3	June 1958	99¼	100¼
3½	June 1966	101¼	101¼
3	Perpetual	194½	98½
2½	June 1968	97¼	98¼
3½	Jan. 1975/78	106½	107¼
3½	June 1974/76	100¼	101¼
Cdn. Nat. Railways:			
3	Jan. 1959	100	100¼
4½	Feb. 1956	●103	104
4½	June 1955	●101¼	102¼
2½	Jan. 1967	97	98
3	Jan. 1966	100	101
2½	Sept. 1969	97	98
4½	July 1957	●103½	106¼
Govt. of C. Guaranteed Bds.:			
Cdn. Nat. W. Ind. S.S.:			
5	Mar. 1955	101¼	102¼
Grand Trunk Pacific Rly.:			
3	Jan. 1962	●101	103
4	Jan. 1962	●107	109

●Payable Can., N.Y. or £.

%	Due	Bid	Ask
Prov. Govt. Bonds			
Alberta:			
2½	Mar. 1970	98	98
British Columbia:			
4½	Jan. 1969	●112	115
3	Dec. 1960	99¼	100¼
3	June 1964	99	100
5	Sept. 1959	●109	111
B. C. Power Comm.:			
3	Oct. 1967	98¼	98¼
Manitoba:			
4	Dec. 1957	●103	105
5	Dec. 1959	●109	111
5½	July 1958	106	108
3	Oct. 1965	98	99¼
4½	Dec. 1956	●104	106
New Brunswick:			
4½	Apr. 1961	●107	109
2½	June 1966	92½	94½
3½	May 1957	99	100¼
3½	Sept. 1965	96¼	100¼
Nova Scotia:			
4½	Nov. 1960	●107	109
5	Mar. 1960	●109	111
3¼	June 1963/65	99	100¼
3	June 1956/58	93½	100¼
2½	June 1965/68	92¼	94½

%	Due	Bid	Ask
Ontario:			
2½	Nov. 1965/69	94½	96
4	June 1962	●107	109
4½	Jan. 1962	●108½	110½
2½	July 1967/76	92	94
3	Nov. 1963/65	99¼	100¼
5	May 1959	●109	111
Ont. Hydro Commission:			
4	Aug. 1957	●103	105
2½	Oct. 1965/68	93¼	95¼
3	Dec. 1963/65	98¼	100¼
3	Nov. 1967/69	96½	98
Prince Edward Island:			
3	Oct. 1965	95	97
Quebec:			
3½	Mar. 1954/59	100¼	101¼
4½	Aug. 1958	103	105
4½	Jan. 1963	107	110
3	Sept. 1962/64	98¼	100
Quebec Hydro Commission:			
3	Feb. 1969/73	95¼	97¼
3	Dec. 1958/60	99¼	100¼
Saskatchewan:			
4	Nov. 1955/60	100	101¼
5	Aug. 1958	105	107
4½	Mar. 1960	●107	109
5	Dec. 1959	●109	111
3	Mar. 1963	98	99¼
3½	Nov. 1960/62	96¼	100
3½	Oct. 1962/65	100	102
Newfoundland:			
4½	July 1964	...	104	106

♦Payable Can. or N.Y. †Callable on or after Sept. 15, 1968.

Volume of Stocks Traded

	Montreal	Toronto	Calgary	Vancouver	New York
Nov. 29	561,600	5,949,000	375,892	.....	4,280,000
Nov. 26	436,600	5,386,000	345,362	115 295	4,120,000
Nov. 25	369,900	4,346,000	278,135	127,526	.....
Nov. 24	398,100	5,528,000	382,100	184,128	5,210,000
Nov. 23	410,200	5,412,000	322,760	210,642	4,840,000

Dividends Declared

	This payment	Date payable	Date of record
	$		
Abitibi Pwr. & Pap.	.30	Jan. 1	Dec. 1
Do. 4½% pf.	.28¼	Jan. 1	Dec. 1
Acadia-At. Sug	.12½	Jan. 3	Dec. 10
Do. A	.30	Jan. 3	Dec. 10
Do. 5% Pf	1.25	Dec. 15	Nov. 20
Aluminium Ltd.	1.50	Dec. 4	Oct. 27
Alum. of Can.			
4% pf.	.25	Mar. 1	Feb. 4
Do. 3¼%	1.31	Mar. 1	Feb. 4
Am. Cyanamid	↑.50	Dec. 24	Dec. 3
Do. 3½% pfd. ..	↑.87½	Jan. 3	Dec. 3
Do. 3¾% pfd. ..	↑.93¾	Jan. 3	Dec. 3
Angio-Huronian	.25	Jan. 26	Dec. 22
Anthes-Imp.	.50	Jan. 15	Dec. 24
Do.	.30	Apr. 15	Mar. 25
Do. Pfd. 6%	3.00	Feb. 1	Jan. 25
Do. Pfd. 6%	3.00	Aug. 1	Jul. 25
Asbestos	.25+1.25	Dec. 23	Dec. 2
Assoc. Tel. & Tel. A	↑1.00	Jan. 1	Dec. 1
Do. Com.	↑3.00	Dec. 10	Nov. 18
At. Wholesal.			
A & B	.10+1.10	Jan. 3	Dec. 15
Auto Elec.	.15+1.10	Dec. 15	Nov. 19
Do. A	.12½	Dec. 15	Nov. 19
Bk. of Montreal	1.20	Dec. 15	Oct. 30
Bk. of Nova Scotia	1.20	Feb. 1	Dec. 31
Banque Cdn. Nat. .	1.20	Dec. 15	Nov. 15
Banque D'Economie	↑.10	Dec. 15	Nov. 15
Barber-Ellis	.80	Dec. 15	Nov. 30
Do. 7% pf.	1.75	Jan. 15	Dec. 31
Beatty Bros.	.10	Jan. 3	Dec. 15
Beld.-Cort.	.10	Jan. 3	Nov. 30
Do. 7% Pf.	.17½	Jan. 3	Nov. 30
Bell Tel.	.50	Jan. 15	Dec. 15
Bird Construction .	.50	Dec. 31	Dec. 15
Bloor-St. Geo.			
Realty	2.00	Dec. 15	Dec. 3
Brazilian			
Tr.	.03+♦Stk.	Div. Jan. 5	Nov. 12
Do. 6% Pf.	1.50	Jan. 3	Dec. 15
Br. Am Oil.	.21¼	Jan. 3	Dec. 3
Br. Amer. Ass.			
Cap.	●.94	Jan. 1	Dec. 28
B. C. Forest	.10	Feb. 1	Dec. 31
Burrard D D. A ..	.11	Dec. 15	Nov. 23
Butterfly Hose	*	Dec. 15	....
Do. 7% pf.	3.50	Jan. 31	Dec. 31
Can. Cement pfd. .	.32½	Dec. 20	Nov. 20
Can F'dries			
& Forg. A	.37½	Dec. 15	Nov. 30
Can. Iron F'dries .	.30	Jan. 3	Dec. 1
Can. Life Ass.	.75	Jan. 3	Dec. 15
Can. Machine	.25	Dec. 28	Dec. 1
Can. Malting .	.50+1.50	Dec. 15	Nov. 15
Can. Nor. Pwr. ..	.15	Jan. 25	Dec. 20
Can. Perm. Mtge. .	.65	Jan. 3	Dec. 15
Can. Starch .	.75+12.00	Dec. 23	Sep. 21
Can. Steamships			
5% Pf.	.31¼	Jan. 3	Dec. 3
Can. W. & Cable A	1.00	Dec. 15	Nov. 30
Do. B	.75	Dec. 15	Nov. 30
Canadian Can.	.50	Jan. 3	Dec. 1
Cdn. Cel.	.15	Dec. 31	Dec. 3
Do. $1.75 pf.	.43¾	Dec. 31	Dec. 3
Do. $1.00 pf.	.25	Dec. 31	Dec. 3
Cdn. Gen.			
Elec.	1.00+12.00	Jan. 1	Dec. 15
Cdn. Ice Mach. A ..	.20	Jan. 3	Dec. 15
Cdn. Oil Co's			
4% Pf.	1.00	Jan. 3	Dec. 3
Do. 5% Pf.	1.25	Jan. 3	Dec. 3
Do. 8% Pf.	2.00	Jan. 3	Dec. 3
Cdn. Refractories			
4½% pf.	1.12½	Jan. 15	Dec. 30
Cdn. W bound	1.00+1.85	Jan. 1	Nov. 2
Do. A	.37½+1.85	Jan. 1	Nov. 2
Castle-Treth. M ..	.10	Dec. 30	Dec. 1
Celanese Corp.	↑.12½	Dec. 23	Dec. 3
Do. 4½% pf. A	↑1.12½	Jan. 1	Dec. 3
Do. 7% 2nd pf. .	↑1.75	Jan. 1	Dec. 3
Celtic Knit.	.50	Jan. 12	Dec. 15
Cent. Cn. Inv. 5% pf.	2.50	Jan. 3	Dec. 22
Chartered Tr.	.30	Jan. 3	Dec. 15
Chrysler Corp.	↑.75	Dec. 11	Nov. 16
Comb. Enterprises			
5% pf.	1.25	Jan. 14	Dec. 28
Confederation Life	.38	Dec. 15	Dec. 10
Cons. Discovery Yel	.10	Dec. 15	Nov. 30
Cons. Div. Std.			
Sec. pf.	.75	Dec. 31	Nov. 30
Cons. Pap.	.37½+1.75	Jan. 24	Dec. 10
Cont. Can	↑.75	Dec. 15	Nov. 24
Crown Trust	1.25	Jan. 3	Dec. 17
Crow's Nest Pass Cl.	2.00	Dec. 2	Nov. 8
Cuprus M.	.75	Dec. 10	Nov. 15
David & Frere A .	.75	Dec. 31	Dec. 15
Distillers Corp.			
Seagrams	.30+1.50	Dec. 15	Nov. 27
Dom. F'dries & Stl.	.15	Jan. 3	Dec. 10
Do. 4½% pfd.	1.12½	Jan. 15	Dec. 24
Dom. Glass	.20+1.62½	Jan. 14	Dec. 28
Do. pfd. 7%	.17½	Jan. 14	Dec. 28
Dom.-Scot. Inv.	.25+1.25	Dec. 31	Dec. 13
Dom. Steel & Coal	.25	Jan. 25	Dec. 22
Dom. Stores	.20	Dec. 15	Nov. 17
Dom. Tar & Chem. .	.10	Feb. 1	Jan. 3
Do. $1 pf.	.25	Jan. 3	Dec. 1
Dom. Textile			
7% pf.	1.75	Jan. 14	Dec. 15
East Sullivan M. ...	.12½	Dec. 15	Nov. 18
Econ. Inv. Tr.	.25+1.50	Dec. 31	Dec. 13
Eddy Pap. A	.25	Dec. 15	Nov. 16
Elder M.	.02	Dec. 29	Dec. 16
Electrolux	↑.25	Dec. 15	Nov. 15
Erie Flooring A	.30	Dec. 31	Dec. 15
Do. B	.30	Dec. 31	Dec. 15
Falconbridge M.	.25	Dec. 15	Nov. 24
Famous Play. .37½+1.10		Dec. 29	Dec. 3
Fanny Farmer	↑.37½	Dec. 31	Dec. 15
Fed. Grain	●1.00	Jan. 3	Dec. 15
Fittings Ltd. A	.30	Jan. 1	Dec. 6
Ford Motor A & B	.75	Dec. 15	Nov. 5
Foundation Co.	.17½	Jan. 21	Dec. 31
Fraser Cos.	.25	Jan. 24	Jan. 7
Gat. Pwr.	.30	Jan. 1	Dec. 1
Do. 5% pf.	1.25	Jan. 1	Dec. 1
Do. 5½% pf.	1.38	Jan. 1	Dec. 1
Gen. Dynamics ...	↑1.00	Jan. 10	Dec. 14
Gen. Elec.	.40	Jan. 25	Dec. 17
Gen. Motors	♦2.00	Dec. 10	Dec. 1
Gen. Fet. Ord. & A	.10	Jan. 5	Dec. 15
Grafton & Co A ..	.25	Dec. 15	Nov. 25
Gt. West Coal B ..	.15	Dec. 15	Dec. 3
Gt. Yellowknife	.20	Jan. 14	Dec. 15
Gt. Lakes Pr. 5% pt.	.31¼	Dec. 30	Dec. 1
Gulf Oil ↑.50+4% St. Div.		Dec. 10	Oct. 22
Gypsum Lime	.60	Mar. 1	Feb. 1
Do.	.60	Jun. 1	May 2
Hahn Brass	.25	Jan. 1	Dec. 10
Do. pfd. A	.20	Jan. 1	Dec. 10
Do. 5% pf.	1.25	Feb. 15	Feb. 4
Hinde & Dauch	.35	Dec. 24	Nov. 30
Hollinger Cons.			
G. M.	.06	Dec. 29	Dec. 1
F. W. Horner A	.12½	Jan. 3	Dec. 1
How. Smith Pap. .	.25	Jan. 31	Dec. 31
Do. $2 pf.	.50	Jan. 31	Dec. 31
Hubbard Felt A ..	.75	Jan. 1	Dec. 8
Howe Sound	↑.10	Dec. 10	Nov. 20
Hudson Bay M. & S.	1.00	Dec. 15	Nov. 15
Huron & Erie			
Mtge.	1½%	Jan. 3	Dec. 15
Imp. Life	.37½	Jan. 1	Dec. 20
Imp. Tobacco	.10	Dec. 31	Nov. 30
Interior Brew B ...	.12	Dec. 15	Nov. 15
Int. Nickel	↑.50+↑.90	Dec. 20	Nov. 30
Int. Paints 6% pf. .	.60	Jan. 14	Dec. 17
Int. Pap. ↑.75+♦Stk.	Div.	Dec. 16	Nov. 19
Do. $4 pf.	↑1.00	Dec. 16	Nov. 19
Int. Pet.	↑.25	Dec. 14	Nov. 19
Int. Util. $1.40 pf. .	↑.35	Feb. 1	Jan. 14
Invest. Found.	.37½	Jan. 15	Dec. 15
Do. 6% pf.	.75	Jan. 15	Dec. 15
Jam. Pub. Serv.	.25	Jan. 3	Nov. 30
Do. 7% pf.	1.75	Jan. 3	Nov. 30
Johns-Man. ..	↑.75+↑1.25	Dec. 9	Nov. 29
Johnston Term.	.15	Dec. 15	Dec. 1
Do. 6% pf.	.15	Dec. 15	Dec. 1
Kelvinator	.37½	Dec. 20	Dec. 4
Kerr-Addison G.M.	.20	Dec. 30	Nov. 30
John Labatt	.25	Jan. 3	Dec. 15
Lake Dufault M. ..	.02	Dec. 10	Nov. 17
La Luz M.	.05	Dec. 10	Nov. 18
Lamaque, G. M. .	.08	Feb. 1	Dec. 8
Alf Lambert A&B	.15	Dec. 31	Dec. 15
Leverage Fund	.04	Dec. 15	Nov. 30
			coup. 20
M. Loew's ..	1.00+↑1.00	Dec. 31	Dec. 10
W. M. Lowney	.25	Jan. 14	Dec. 15

Dividends Declared (cont'd)

	This payment	Date payable	Date of record
	$		
Macassa M.	.03	Dec. 15	Nov. 16
Madsen Red			
Lake	.03+♦.02	Dec. 23	Dec. 1
Mack. Struct St.			
5% pfd.	1.25	Dec. 15	Nov. 30
Maclaren Pwr.			
& Pap.	.50+1.25	Dec. 28	Dec. 3
MacMillan &			
Bloedel A	.12½	Dec. 31	Dec. 10
Do. B	.20	Dec. 31	Dec. 10
Mailman Cp. 5% pf.	1.25	Jan. 31	Jan. 19
Do. $1 Prior	.25	Jan. 5	Dec. 16
Malartic Gold	.05	Jan. 12	Dec. 15
Manufac. Life	.90	Jan. 3	Dec. 15
Maple Leaf Gard. .	.50	Jan. 15	Jan. 3
Maple Leaf Mill.			
5% pf.	1.25	Jan. 1	Dec. 15
Massey-Harris-Ferg.	.15	Dec. 15	Nov. 19
L. McBrine pf.	.50	Jan. 1	Dec. 9
McIntyre Por. M. .	↑1.00	Jan. 3	Nov. 1
Melchers Dist.			
6% pf.	.30	Dec. 31	Nov. 30
Mersey Pap.	1.00	Dec. 20	Dec. 11
Do. 5% pf.	1.25	Jan. 3	Dec. 11
Mex. Lt. & Pwr. ..	●.25	Dec. 19	Nov. 24
Mining Corp.	.50	Dec. 31	Nov. 30
J. S. Mitchell	.31¼	Jan. 3	Dec. 15
Robt. Mitchell	↑1.75	Dec. 15	Nov. 15
Mod. Containers	.50	Dec. 2	Nov. 19
Do. A	.25	Jan. 3	Dec. 20
Molson's Brew. A .	.20	Dec. 16	Nov. 25
Do B	.20	Dec. 16	Nov. 25
Monarch Knit			
4½% pf. .....

NOTICES

THE DOMINION BANK

Notice of Annual General Meeting of Shareholders

The Annual General Meeting of Shareholders of The Dominion Bank will be held at the Head Office of the bank, King and Yonge Streets, Toronto, Canada, on Wednesday, the 22nd day of December, 1954, at 2.30 p.m.

Pursuant to Sections 100, 101 and 102 of the Bank Act the terms of a proposed agreement to amalgamate The Dominion Bank and The Bank of Toronto for the purpose of continuing as one bank under the name of "The Toronto-Dominion Bank" will be submitted to the shareholders at the above mentioned Annual General Meeting.

If at a meeting of the shareholders of each bank at which the proposed agreement is submitted the agreement is approved by resolution carried by the votes of shareholders, voting in person or by proxy, representing not less than two-thirds of the amount of the subscribed capital stock of the bank, the agreement may be executed on behalf of each bank. Notwithstanding that the agreement may be executed upon the requisite approval of the shareholders of each bank, it is of no force or effect until it has been approved by the Governor in Council. The Governor in Council shall not approve the agreement unless the Treasury Board recommends that the agreement be approved.

By Order of the Board.
A. C. ASHFORTH,
General Manager.

Toronto, November 15, 1954.

ANNUAL MEETING NOTICE
THE CANADIAN BANK OF COMMERCE

The annual meeting of the shareholders of this Bank, for the election of Directors and for other business, will be held at its Head Office, 25 King Street West, Toronto, on Tuesday, the 14th day of December next.

The chair will be taken at eleven o'clock a.m., Eastern Standard time.

By order of the Board,
N. J. McKINNON
General Manager

Toronto, 1st October 1954

DIVIDEND NOTICES

THE BELL TELEPHONE COMPANY OF CANADA

NOTICE OF DIVIDEND

A quarterly dividend of fifty cents per share has been declared payable on the 15th day of January, 1955 to shareholders of record at the close of business on the 15th day of December, 1954.

Montreal, Nov. 24, 1954. S. C. Scadding, *Secretary*

THE SHAWINIGAN WATER AND POWER COMPANY

DIVIDEND NO. 190

NOTICE IS HEREBY GIVEN that a dividend of thirty (30c) per share has been declared on the no par value common shares of the Company for the quarter ending December 31, 1954, payable February 25, 1955, to shareholders of record January 15, 1955; also a special dividend of twenty-five cents (25c) per share has been declared on the no par value common shares of the Company payable December 30, 1954, to shareholders of record December 3, 1954.

By Order of the Board.
R. R. MERIFIELD,
Secretary.

Montreal, P.Q.,
November 22, 1954.

ROBINSON, LITTLE & COMPANY, LIMITED

WINNIPEG — MANITOBA
DIVIDEND ON COMMON

NOTICE IS HEREBY GIVEN that a dividend of Twenty (20) cents a share has been declared on the Common Stock of the Company payable on the 31st day of December, 1954 to shareholders of record at the close of business on the 15th day of December, 1954.

By Order of the Board.
HERBERT J. SADLER,
Secretary.

Winnipeg, Manitoba,
November 22, 1954.

DOMINION GLASS COMPANY LIMITED

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st day of December 1954.

Notice is also hereby given that a dividend of Twenty Cents (20 Cents) per share has been declared on the COMMON STOCK of the Company for the quarter ending the 31st day of December 1954.

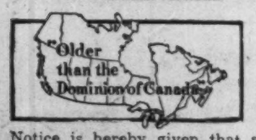
Notice is also given that an extra dividend of Sixty-two and one-half Cents (62½c) per share has been declared on the COMMON STOCK of the Company.

The above Dividends will be paid on Friday, the 14th day of January 1955 to Shareholders of record at the close of business Tuesday, the 28th day of December, 1954.

By Order of the Board.
F. N. DUNDAS,
Secretary.

Montreal, 24th November 1954.

DIVIDEND NOTICE
THE HURON & ERIE MORTGAGE CORPORATION



Notice is hereby given that a Quarterly Dividend of 1½ per cent for the current quarter ending 31st December, 1954 has been declared on the paid in Capital Stock of this Corporation and will be payable at any of the Corporation's offices on the 3rd of January, 1955 to shareholders of record at the close of business on the 15th of December, 1954.

By Order of the Board,
J. P. COLLYER,
Secretary.

London, Ontario,
29th November, 1954.

DIVIDEND NOTICES

The Butterfly Hosiery Co., Limited

NOTICE OF DIVIDEND

Notice is hereby given that a dividend of 3½% on the 7% Cumulative Preferred Stock of the Company for the half year ending December 31st, 1954, has been declared payable January 31st, 1955 to shareholders of record as at the close of business December 31st, 1954.

By Order of the Board.
W. V. HOLTON,
Secretary.

November 23rd, 1954.

UNITED AUTO PARTS LIMITED

DIVIDEND NOTICE

A dividend of $5.00 per share, against the dividends in arrears, has been declared on the 5% cumulative redeemable preferred stock of this Company, payable on December 1st, 1954, to Shareholders of record at the 19th day of November, 1954.

YVAN BEAUSÉJOUR,
Assistant-Secretary.

UNITED AUTO PARTS LIMITED

DIVIDEND NOTICE

A quarterly dividend of $1.25 per share, for the quarter ending November 30th, 1954, has been declared on the 5% cumulative redeemable preferred stock of this Company, payable on December 1st, 1954, to Shareholders of record at the 19th day of November, 1954.

YVAN BEAUSÉJOUR,
Assistant-Secretary.

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of Sixty-five Cents per share on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable Monday, the Third day of January next, to Shareholders of record at the close of business on the Fifteenth day of December, 1954.

By Order of the Board.
J. W. ROSE, Jr.,
Secretary.

Toronto, November 17th, 1954.

MADSEN RED LAKE GOLD MINES LIMITED

(No Personal Liability)
67 Yonge St., Toronto
DIVIDEND NO. 25

NOTICE is hereby given that a dividend of 5 cents per share plus a bonus of 2 cents per share has been declared by the Directors of Madsen Red Lake Gold Mines Limited (No Personal Liability), payable in Canadian Funds on December 23rd, 1954, to shareholders of record as of December 1st, 1954.

By Order of the Board.
M. MASTERSON,
Secretary-Treasurer.

Toronto, November 25th, 1954.

YALE & TOWNE

DECLARES 267th DIVIDEND
50¢ PER SHARE

On Nov. 22, 1954, dividend No. 267 of fifty cents (50¢) per share was declared by the Board of Directors out of past earnings, payable on Jan. 3, 1955, to stockholders of record at the close of business Dec. 10, 1954.

F. DUNNING
Executive Vice-President and Secretary

THE YALE & TOWNE MFG. CO.
Cash dividends paid in every year since 1899

NOTICES

THE BANK OF TORONTO

Notice of Annual General Meeting of Shareholders

The Annual General Meeting of Shareholders of The Bank of Toronto will be held at the Head Office of the bank, King and Bay Streets, Toronto, Canada, on Tuesday, the 21st day of December, 1954, the chair to be taken at 2:30 p.m.

Pursuant to Sections 100, 101 and 102 of the Bank Act the terms of a proposed agreement to amalgamate The Bank of Toronto and The Dominion Bank for the purpose of continuing as one bank under the name of "The Toronto-Dominion Bank" will be submitted to the shareholders at the above mentioned Annual General Meeting.

If at a meeting of the shareholders of each bank at which the proposed agreement is submitted the agreement is approved by resolution carried by the votes of shareholders voting in person or by proxy, representing not less than two-thirds of the amount of the subscribed capital stock of the bank, the agreement may be executed on behalf of each bank. Notwithstanding that the agreement may be executed upon the requisite approval of the shareholders of each bank, it is of no force or effect until it has been approved by the Governor in Council. The Governor in Council shall not approve the agreement unless the Treasury Board recommends that the agreement be approved.

By Order of the Board,
WM. KERR,
General Manager.

Toronto, November 15, 1954.

DIVIDEND NOTICES

GREAT WEST COAL COMPANY, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of fifteen cents (15c) per share on the outstanding Class "B" shares of the Company has been declared payable on December 15th, 1954, to shareholders of record at the close of business on December 3rd, 1954.

By Order of the Board.
T. L. MATHIE,
Secretary Treasurer

Brandon, Manitoba,
November 24th, 1954.

BRITISH COLUMBIA FOREST PRODUCTS LIMITED

NOTICE OF DIVIDEND NUMBER 24

At a meeting of the board of directors a quarterly dividend of ten cents (10c) per share on the issued ordinary capital stock of this Company was declared payable in Canadian funds on February 1st, 1955, to shareholders of record at the close of business on December 31st, 1954.

By Order of the Board.
T. L. DANIELS,
Secretary.

Vancouver, B.C.
November 23, 1954.

THE FOUNDATION COMPANIES CANADA

DIVIDEND NOTICE

Notice is hereby given that a Dividend of seventeen and one half cents (0.17½) per share for the quarter ending December 31st 1954, has been declared on the No Par Value Common Shares of The Foundation Company of Canada Limited, payable January 21st 1955 to Shareholders of record at the close of business on December 31st 1954.

By Order of the Board.
J. R. MILLS,
Secretary.

Montreal, Quebec,
November 24, 1954.

JOHN LABATT LIMITED

NOTICE OF DIVIDEND

Notice is hereby given that Dividend No. 40 of twenty-five cents per share has been declared on the outstanding common shares without nominal or par value of the Company, payable on the Third day of January, 1955, to shareholders of record at the close of business on the Fifteenth day of December, 1954.

By Order of the Board.
W. L. SHORTREED,
Secretary.

London, Ontario,
November 23rd, 1954.

GENERAL PETROLEUMS OF CANADA LIMITED

NOTICE OF DIVIDEND NO. 12

Notice is hereby given that a Dividend of Ten Cents (10c) per share has been declared payable to the Ordinary and Class "A" Shareholders of record on the books of the Company at the close of business on Wednesday, the 15th December, 1954, and that the said dividend is payable on Wednesday, the 5th day of January, 1955.

Shares of the Company are transferable at the offices of the Crown Trust Company, at Calgary, Vancouver, Toronto or Montreal, Canada.

In accordance with Notice to Shareholders, dated 23rd June, 1950, dividend cheques will be mailed only to shareholders who have exchanged Share Certificates of General Petroleums Limited for Share Certificates of General Petroleums of Canada Limited and who are the registered holders of such shares on 15th December, 1954.

By Order of the Board.
H. E. HOWARD, F.C.A.,
Secretary.

Calgary, Alberta.
November 22nd, 1954.

CANADA DRY

DIVIDEND NOTICE

The following dividends have been declared by the Board of Directors:

Preferred Stock

A regular quarterly dividend of $1.0625 per share on the $4.25 Cumulative Preferred Stock, payable January 1, 1955 to stockholders of record at the close of business on December 6, 1954.

Common Stock

A quarterly dividend of $0.15 per share and an extra dividend of $0.10 per share on the Common Stock, both payable January 1, 1955 to stockholders of record at the close of business on December 6, 1954.

Transfer books will not be closed. Checks will be mailed. WM. J. WILLIAMS
Vice-President & Secretary

Market Comment

What stocks and bonds are doing and what prominent observers say

For the past few days it has been taking a significantly greater daily share volume to move stock averages up appreciably—the time-honored sign of an approaching market turn.

In this case even the most confirmed market bear can't see the turn anything more than an interim setback—at most a 10-point drop in the Dow-Jones industrial average. The market is moving on too broad a front, business outlook is too promising to generate any basic reversal in the bull market pattern at this stage.

Canadian speculative markets continue active with new mining camps leaping into the news every week. This week the Bancroft uranium camp moved into the spotlight with an unusually rich drill hole pulled at the Faraday mine. Lorado continues to make good news at its Beaverlodge uranium property with an interesting drill-hole reported below the 220-ft. level.

Algom Uranium moved up to a new peak this week as financings nears completion on its Quirke Lake and Nordic Lake uranium properties.

* * *

M. A. MOYSEY; Hevenor & Co. (Toronto)

General market action since the U. S. elections has certainly refuted most of the prophets of gloom. The explanation would appear to be that the Republicans made a better showing than had been expected. If this is true, the good news would appear to have been discounted, and the question naturally arises, where do we go from here?

On the favorable side of the picture, general corporate earnings seem to be holding up well, and the average yield on common stocks is still well above that on high grade bonds. This condition always induces new investment funds to enter the equity market—a situation that might be added to by a feeling in some quarters that commercial real estate is not quite as attractive to speculative capital as formerly. Sound credit policies both in Canadian and U S. speculative markets would seem to preclude the possibility of any wide open market break of the 1929 variety.

Turning to the unfavorable possibilities, we as Canadians, cannot but view with serious concern the unfavorable price position of many of our farm products on the world market. This, if it continues, must lead eventually to a serious decline in farm income, and woe betide our domestic industry if this becomes widespread. There are three factors which may delay the evil effects of this situation for some time yet, however.

These are (a) government price support under farm products which will bolster the farmers cash income, but does nothing to supply us with the foreign exchange which should come from the export of wheat, etc. (b) The increased flow of pulp and paper and mineral products which can fill some of this export gap (c) The great influx of American risk capital into this country which can complete the solution of our foreign exchange problems—temporarily.

It might be well to remember that the flow of risk capital is a very unpredictable thing, and were it to start flowing in the other direction, our monetary situation would be grave indeed. The quickest way to stop this flow would be any attempt to tax it out of existence.

* * *

HAROLD J. KNIGHT; Walwyn, Fisher & Co. (Toronto)

As at the close of business last week, both New York and Toronto industrial stock averages stood at new highs. Dow Jones —387.79 and Toronto—374.29. To this observer the fact that pre-election fears in New York could not carry the Dow Jones averages below 350, reflected the internal strength of the market, and the subsequent advance to present levels has been of such strong character that it would appear that an intermediate reaction or consolidation is not likely to occur until the Dow Jones averages reach a higher level yet, possibly between 400 and 425. This should materialize within the next few months with the pace of the present advance slowing down.

Corrective forces should meet support around the 365-370 level. It is expected that current advance will continue to be very selective and indiscriminate purchasing is not warranted.

Both markets appear to be essentially of "investment type" in character with the emphasis shifting from one section to another. At the present time, it is recognized in some circles that certain industrials as represented by their price-earnings ratio, seem to be fully priced and in such cases these are being transferred into "behind the market" and secondary stocks. It is suggested that the discriminating investor may still find attractive opportunities in the following groups—base metals, steels, rails, chemicals, liquors and refining oils.

New Highs and Lows

During the week ended Nov. 27, 66 new highs and three new lows were recorded among the general stocks on Canadian stock exchanges. In the mining group there were 31 new highs and seven new lows. In western oils there were 14 new highs and three new lows.

GENERAL—New Highs, 1954

Algoma Steel	Huron & Erie
Anglo-Can. Pulp	Hydro Electric
Asbestos Corp.	Ind. Accept.
Beaver Lumber	Do. 5% pd.
Bell Telephone	$1.50 par
T. G. Bright	Do. 5% pd.
B. A. Bank Notes	$40.00 par
B. C. Forest	Int. Nickel
Building Products	Int. Util.
Burlington Steel	Interp. Util.
Canada Cement	Johns-Manville
Can. Life	MacMil. & Blo. B
Can. Perm Mtge.	Maule Ind. Inc.
Cdn. Celanese $1.75	Mex. Lt. Com.
Cdn. Ingersoll	National Tr.
Cdn. Marconi	Pac. Coast Trms.
Cdn. West Lumber	Powell River
Casmont Ind.	Power Corp.
Catelli Food "B"	Do. 4½%
Confederation Life	Premier Trust
Cons. Textile	Price Bros.
Craig Bit	Rolland Paper
Crown Zeller	Do. pfd.
Dom. Coal	St. Law. Corp.
Dom. Square	Sher. Wms.
Dom. Stores	Southam
Economic Invest.	S. Can. Pr. pfd.
Equitable Life	Steel of Can.
Famous Players	Superfest Pet. Ord.
Fanny Farmers	Trad. Fin. 5% pfd.
Ford Motor "A"	Union Accept.
Gt. Lakes Pap.	Viceroy "A"
Gt. North Gas	W'tminster Pap. A
Hotel De Lasalle	Winnipeg Gas

New Lows, 1954

Cdn. Bronze	Scythes & Co.
Que. Pwr. Rts.	

MINING—New Highs, 1954

Algom	Norpax
Bunker Hill	Northland
Calder Bousquet	Orenada
Cons. Discovery	Placer Dev.
East Sullivan	Pronto
Faraday	Que. Nickel
Glenora	Regcourt
Goldhawk	Rexspar
Kenmayo	Sand River
Lapa Cadillac	Sullivan Cons.
Magnet	Sylvanite
Mining Corp.	Teck Hughes
Nat. Explor.	Van Roi Cons.
Nickel Rim	Virginia
Noranda	Western Explorers
Normetal	

New Lows, 1954

Bralorne	Eldrich
Brilund	Kirk. Hudson By.
Buckles Alg.	Western Tungsten
Conwest	

OILS—New Highs, 1954

British Pete.	Pac. Pete.
Calvan	Pontiac
Cdn. Pipe Line & Pet.	Royalite 5½% pfd.
Century	Sapphire
Claybar	Triad
Gt. Sweet Gr.	Vanalta
Hy-Charger	Van Tor

New Lows, 1954

Acme G & O	Cdn. Br. Emp.
Albermont Warr.	

Grain Prices

Chicago Futures

Week to Nov. 29, 1954

Crop year from Aug. 1, 1954 High	Low		High for week	Low for week	Close Nov. 29
		Wheat—			
2.30¼	2.08¾	Dec.	2.28¼	2.25¾	2.27
2.31¼	2.09¼	Mar.	2.30¾	2.28¼	2.29¼
2.28¼	2.07	May	2.27¼	2.25¼	2.26¾
2.15¾	1.97¼	July	2.15¼	2.13¼	2.13¾
2.17¼	2.12	Sept.	2.17¾	2.15¼	2.16
		Corn—			
1.58¾	1.49¾	Dec.	1.58¼	1.55¾	1.58
1.62¼	1.53¾	Mar.	1.62¼	1.59¼	1.62¾
1.64¾	1.54¼	May	1.64¾	1.61¼	1.64¼
1.65¼	1.55¼	July	1.65¼	1.62¼	1.65¾
1.61	1.56¾	Sept.	1.59¾	1.58	1.59¾
		Oats—			
.85¼	.73¼	Dec.	.84¾	.82¼	.82¾
.85¾	.74¼	Mar.	.85	.83¾	.83¾
.85	.72¾	May	.85	.80¾	.80¾
.77¾	.73¾	July	.76¾	.75¼	.75¾
		Rye—			
1.52¾	1.14¾	Dec.	1.30	1.25	1.26¾
1.55¼	1.19¼	Mar.	1.34¼	1.30¼	1.31¼
1.55¼	1.22	May	1.38	1.33¼	1.34¼
1.46	1.32	July	1.38¼	1.34¾	1.35
		Soybeans—			
Jan.			2.88¼	2.83¾	2.87¼
Mar.			2.90	2.85¼	2.89¼
May			2.91¼	2.86¼	2.90¼
July			2.88	2.83¾	2.87
Sept.			2.63¼	2.60¾	2.63

Chicago Cash

	For Week Nov. 29 High	Low	Prev. Week High	Low
Corn—				
2 Yell (new)	1.57	1.52¼	1.51¼	1.50¾
Oats—				
1 H. Wh.	.89	.89	.91¼	.91¼

Winnipeg Futures

Week to Nov. 29, 1954

Crop year from Aug. 1, 1954 High	Low		High for week	Low for week	Close Nov. 29
		Oats—			
.89¼	.69¼	Dec.	.87¼	.85¼	.87¼
.86¼	.69¾	May	.86¼	.84¼	.86
.83¼	.78¾	July	.83¼	.82	.82¾
		Barley—			
1.20¼	.95	Dec.	1.22¼	1.19¼	1.21¾
1.17¾	.95¼	May	1.20¼	1.16¾	1.20¼
1.15¼	1.03¾	July	1.15¼	1.12¾	1.14
		Rye—			
1.45	1.01	Dec.	1.25	1.20¾	1.21
1.45¼	1.06¾	May	1.29¼	1.26¼	1.26¾
1.40	1.22¼	July	1.29	1.25	1.25
		Flax—			
2.98	2.55	Dec.	2.96¾	2.86¾	2.94
3.02¾	2.56¼	May	3.02¾	2.92¼	3.00
3.00¼	2.56¾	July	3.00¼	2.90¾	2.97¾

Winnipeg Cash

	For Week Nov. 29 High	Low	Prev. Week High	Low
Oats—				
2 C. W.	.96¼	.94¾	.96¼	.94¾
3 C. W.	.90	.88¼	.91¼	.88¼
Barley—				
1 Feed	1.20¾	1.19¾	1.21¼	1.19¾
2 Feed	1.19¾	1.18¼	1.21¼	1.19¼
1 Malt	1.35¾	1.34¼	1.35¼	1.32¾
Rye—				
2 C. W.	1.24¼	1.20¾	1.23¼	1.19¾
1 C. W.	1.24¼	1.20¾	1.23¼	1.19¾

McCabe Grain Company Limited
WINNIPEG, CANADA
LONDON, ENGLAND VANCOUVER

TORONTO ELEVATORS LIMITED
Processors of
LINSEED OIL
SOYBEAN OIL
LINSEED OIL CAKE MEAL
SOYBEAN OIL MEAL
GRAIN MERCHANTS
MANUFACTURERS OF
MASTER FEEDS
TORONTO • MONTREAL • SARNIA • WINNIPEG

K. A. POWELL (CANADA) LTD.
GRAIN SHIPPERS AND EXPORTERS
GRAIN FUTURES
Owners and Operators
Fort William Terminal Elevator Co. Ltd.
and Powell Transports Ltd.
Head Office—563 Grain Exchange, Winnipeg, Man.
Affiliated Companies—Fort William, Ont., Montreal, Que., Vancouver, B.C.

THE CANADIAN CONSOLIDATED GRAIN COMPANY LIMITED
Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur
Grain Commission Merchants — Shippers and Handlers of All Grains
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MAY 2-13, 1955

ANNOUNCEMENT

APPOINTMENT of Gordon P. Caine as Sales Manager for British Columbia, is announced by Martin Paper Products (B.C.) Ltd. Mr. Caine will direct sales operations from the company's offices in New Westminster. A University of Manitoba graduate, Mr. Caine is former sales manager and a director, of Bulman Bros., of Vancouver.

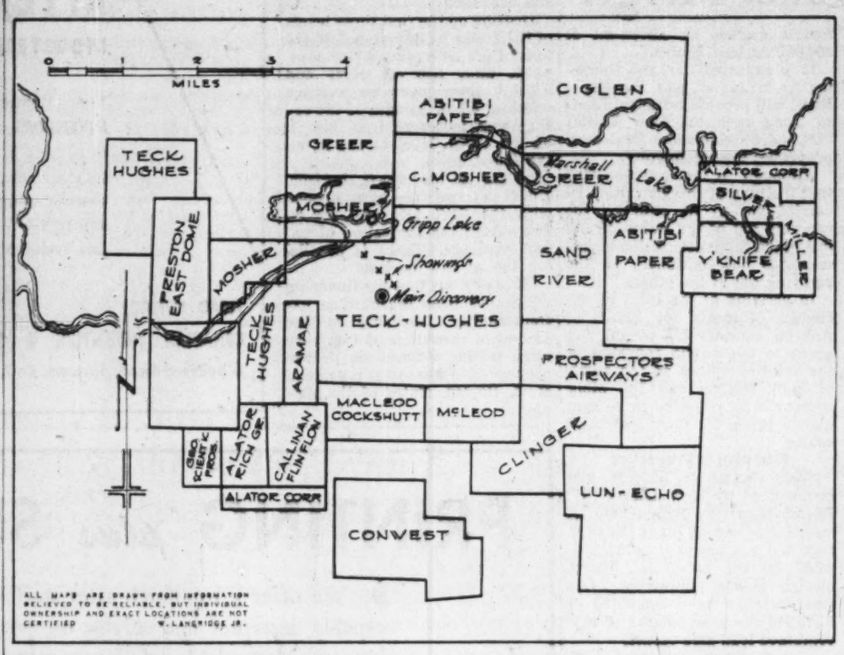
114 Stocks' Yield Averages 4.70%

Average yield on 114 dividend-paying stocks on the Toronto Stock Exchange, as compiled by Moss, Lawson & Co. on prices of Nov. 29, was 4.70%, down .07 from the previous week. Current yield compares with 4.91% one month ago and 5.66% last year.

Here is the yield by the various groups of stocks:

	Nov. 29	Week Ago	Month Ago	Year Ago
	%	%	%	%
Common ...	4.49	4.56	4.81	5.54
Pfd. & A. ..	4.59	4.61	4.62	5.07
Mining	5.66	5.79	5.79	6.75
Banks	3.21	3.19	3.27	4.03

Teck 'Neighbors' In Tashota Rush



ALL MAPS ARE DRAWN FROM INFORMATION BELIEVED TO BE RELIABLE, BUT INDIVIDUAL OWNERSHIP AND EXACT LOCATIONS ARE NOT CERTIFIED W. LANGRIDGE JR.

MINING INVESTMENTS

Nickel to Continue 'Short' Despite Recent Price Hike

There is no indication the recent 4½c lb. (U.S.) increase in the price of nickel will mean any immediate end to the shortage of this metal.

From New York comes word that reduced allocations of nickel over the past three months and estimates of available 1955 supply "give no indication that nickel will free up to any extent in the near future."

In a letter to customers, one nickel supplier (Harshaw Chemical Co.) declared:

"Since the quantity of nickel distributed to us as a manufacturer of nickel anodes and chemicals is dependent on the over-all impact of nickel for military and AEC, which varies month by month, we must also assume that our allocations to our customers will also vary from month to month. Therefore, we reserve the right to adjust quantity shipped in accordance with available supply . . . As our receipt of nickel is based on past purchases, we must restrict such distribution to concerns we have served in the past."

The present 64½c lb. U.S. price includes the 1¼c lb. U. S. duty and corresponds to a 61.4c Canadian price Increased nickel prices were introduced to offset higher operating costs which have not been fully offset by improved production techniques, Inco reports.

It is believed that the higher nickel price will be of considerable assistance to new Canadian companies which are developing nickel properties including Quebec Nickel, North Rankin, Eastern Metals, and Jonsmith.

• • •

Iron Ore Climbing

For the first time, Canadian carloading figures include Quebec-Labrador iron ore shipments. Iron ore shipments by Iron Ore Co. of Canada proved one of the reasons carloadings in the first week of November were down only 3% from a year ago as against 9% for the year to date.

Iron ore carloadings for the Quebec North Shore & Labrador Railway Co. meant that iron ore shipments for the week were more than three times higher at 2,499 cars as compared with 775 a year ago.

Canada is expected to produce and sell much more iron ore the next few years even though demand in the U. S. is now much less. Dominion Steel & Coal has announced arrangements for sale of five million tons to Britain during the five years between 1956 and 1961 while 1955 is to see a 250,000-ton increase in Wabana shipments to Germany. The latter has also taken an option on five million tons of ore betwen 1956 and 1961 and there is stated to be every reason to believe the option will be exercised.

Only on the Pacific Coast is some reduction in the level of iron ore mining to be anticipated.

• • •

Uranium Prospecting Aid

Just about the best book on uranium prospecting we have been privileged to see is "Minerals for Atomic Energy" by Robert D. Nininger, deputy assistant director of exploration for the U. S. Atomic Energy Commission. D. Van Nostrand (Canada) Ltd., Toronto: $8.75.

This interesting volume covers geology of radioactive minerals, their presently known and probable incidence and identification. The tools, equipment and methods to use in exploration and evaluation of results of successful searching are discussed authoritatively.

The first section of the book describes minerals and mineral deposits that are the sources and potential sources of uranium, thorium and beryllium with full attention to physical properties and geological characteristics, together with a description of identifying marks of likely deposits. A second section surveys various areas of the world with regard to their favorability for new deposits of atomic energy minerals.

In the third section, prospecting equipment and techniques, use of the Eiger and scintillation counters, evaluation of occurrences, etc., are gone into thoroughly together with the situation as regards price.

Appendices include mineral identification tables, classifications of ore deposits, testing and analysis procedures, lists of equipment suppliers, laws and regulations.

Belfast Makes Uranium Strike In Rawhide Twp.

An interesting discovery of uranium has been made by Belfast Mines in Rawhide twp., north of the main part of the Algoma uranium camp. This is in an area where radioactivity previously was thought to be chiefly due to thorium but where uranium has now been established chemically.

'Location' is six miles north of Algoma's Quirke Lake property.

A series of veins, carrying high radioactivity, have been opened up with shearing showing chalcopyrite and specularite mineralization. A stockwork of veins is stated to have been indicated by trenching over a length of 1,200 ft. Occurrence is stated to be in a diabase intrusive.

Trenches have been blasted to about 4 ft. It is reported not to have been possible to get fully through the effects of surface leaching as yet. Chemical assays of 0.08% U_3O_8 have been had by the Belfast people. While not high, this is comparable to values secured in the early days of the Algoma camp although uranium occurs under much different conditions there.

Baska Drilling Fredette Finds

A program of diamond drilling is now proceeding on the Fredette Lake properties of Baska Lake Uranium Mines at Beaverlodge.

Interesting surface disclosures were had, including good assays, and officials are hopeful that an ore body may emerge.

A new financing agreement has been completed with Alator Corp. and Borthwick & Co. under which 200,000 shares have been sold at 30 cents a share to provide further finances for the company's program. Additional funds (over $300,000) are called for if options are exercised.

Lake Nordic Drill On 2-Shift Basis

The initial drill hole of Lake Nordic Uranium Mines has now reached a depth of 560 ft., as drilling proceeds on a two-shift basis. Work is seeking the down-dip extension of Algoma's Nordic Lake ore structure.

The first hole is being drilled at an angle of 85 deg. in order to intersect the true width of the conglomerates.

A further $145,000 has now been placed in the company's treasury bringing total receipts to $540,000.

New treasury receipts represent proceeds of two recent underwritings on blocks of 100,000 shares each at 70c and 75c a share. Company officials state that the ability to raise substantial finances reflects the high regard held for the property's ore-making possibilities.

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The Mining Engineer has been very much a key figure in Canada's growth and expansion. The whole complexion of the country changed when Mining Engineers developed the original nickel strikes at Sudbury, the silver finds at Cobalt, the gold at Kirkland Lake. Today, as in the past, thriving new communities are growing up across Canada through the development of Canada's great national resources by the Mining Engineer.

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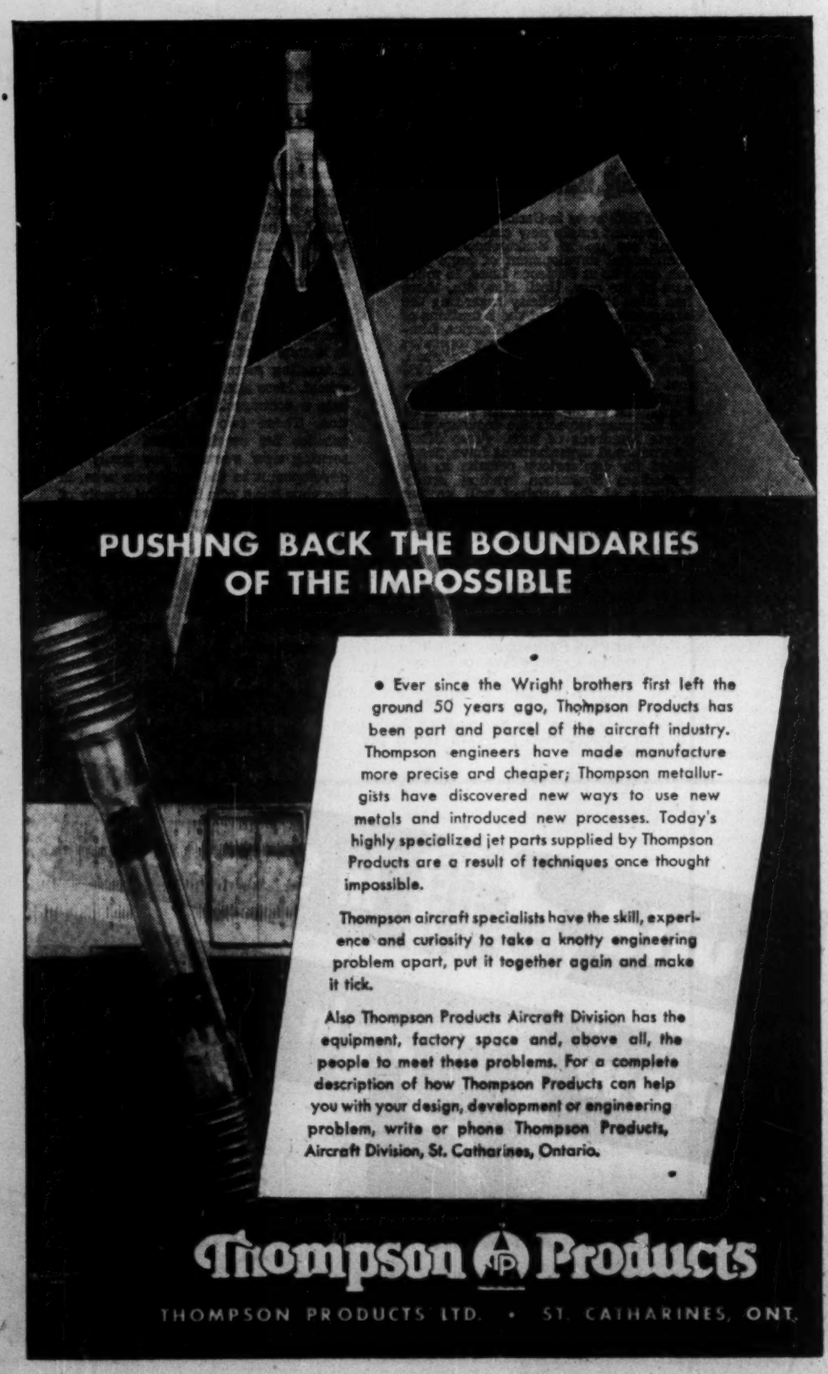

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ANNOUNCEMENT

Phillips Wires and Cables

T. A. LINDSAY, B.Sc., P.Eng.

The Board of Directors of Phillips Electrical Company (1953) Limited announces the appointment of Mr. T. A. Lindsay, at present director and Vice-President (Sales), to the position of Executive Vice-President. He will be responsible to the Board for the executive operation and general administration of the Company.

Mr. Lindsay is well known throughout Canada for his many activities in the wire and cable field.

Big Mine Finance Company Emerges With Anacon-Larder U-Keymet-Chib. Merger

A large mine financing company with diversified interests in base metal and gold production is expected to emerge as Anacon Lead Mines unfolds plans to couple major bank financing with acquisition of mines of companies in which it is substantially interested.

Anacon proposes to lift its authorized capital from five million to 6.5 million shares of 20c par value as the ground work for proposed acquisitions. Allowing for presently unissued shares, this will provide three million unissued shares or 550,000 shares more than the 2,449,881 shares it is proposed to issue for eventual acquisition of New Larder "U" Island Mines, Keymet Mines and Chibougamau Explorers.

To further Anacon's future plans, Royal Bank of Canada has made a commitment to advance up to $4 millions at 4½% interest with this loan extending to Dec. 31, 1959. The loan will be secured by a pledge of the company's holdings of stock in other corporations including Brunswick Mining & Smelting.

Already a producer of lead and zinc on the north shore of the St. Lawrence, Anacon will eventually own a second lead-zinc mine, the recently opened Keymet in New Brunswick. Plans call for the placing of the New Larder "U" Island mine in production as a third base metal operation while Chibougamau Explorers is expected to make a substantial gold producer next year with a new 500-ton mill.

Holders Meet Dec. 14

Meetings of respective shareholders of all four companies involved have been called for Dec. 14.

Under terms agreed to by directors, Anacon is to acquire New Larder "U" Island Mines on the basis of one share of Anacon for each three shares of New Larder issued. This is to be proceeded with forthwith, the 1,095,712 shares required being supplied by the 1.5 million unissued shares at present in the Anacon treasury.

It is not proposed that full acquisition of Keymet Mines on the basis of one Anacon share for each four Keymet issued be placed in effect immediately in order that Keymet may be able to take advantage of tax write-off provisions. Anacon has agreed to finance Keymet for three years and to supply up to $1 million with interest at 4½%.

As Anacon already owns a million shares of Keymet, only 387,502 Anacon shares will be required to meet eventual Keymet acquisition obligations. Keymet has 2,550,008 shares issued.

Acquisition of Chibougamau Explorers is to be on the basis of one Anacon share for each three shares of Chibougamau Explorers at present outstanding with terms of the acquisition similar to that for Keymet except that $1.5 millions will be advanced at 4½% interest instead of $1 million.

As Anacon now owns 2,020,590 of 4,920,591 shares of Chibougamau Explorers now outstanding, Chibougamau Explorers will ultimately receive an allotment of 966,667 Anacon shares.

It is expected that the financing as arranged with the Royal Bank will provide sufficient funds to bring both the New Larder "U" and Chibougamau Explorers' properties into production.

Although it is contemplated that the plan of reorganization be carried out in its entirety, the carrying out of the terms of any one of the three acquisition agreements is not contingent on the carrying out of the others.

In arriving at the basis of exchange of assets for shares of Anacon, considerable weight was given to the public appraisal of the relative values of the assets of both Anacon and the other companies as reflected in current quoted prices for their respective shares.

Situation at Properties

Shaft sinking to 1,500 ft. was commenced by New Larder "U" Island Mines in September. A substantial mining plant has been installed and power is being supplied by the provincial hydro-electric power commission. Ore reserves have been estimated at 1,173,540 tons averaging 8.20% combined lead-zinc values.

A favorable contact zone with which American Metal ore bodies are associated passes through New Larder group No. 90 adjacent to American Metal. Two anomalies are known and plans for further work are being formulated.

At Chibougamau Explorers, it is expected that the mill building will be completed in December. Equipment for a 500-ton mill is expected to be installed during the first part of 1955 with recovery of both gold and copper to be effected. Ore reserves to the 1,200-ft. horizon are estimated at 900,000 tons grading 0.30 oz. gold and 0.85% copper. Recent underground work on the 600-ft., 750-ft. and 900-ft. horizons has indicated wider and richer ore at depth. At the 900-ft. level, for instance, 607 ft. of ore has been opened averaging 0.38 oz. gold per ton and 1.12% copper over an average width of 6.3 ft. All drift faces on both the 750-ft. and 900-ft. levels remain in ore.

Production at Keymet Mines commenced Nov. 1 with a 200-300-ton mill which can be boosted to 500 tons with some alterations and additions.

Drifting on the first three levels of No. 1 zone has developed 86,400 tons of ore averaging 4.73% lead, 4.32% zinc, 1.46 oz. silver and 0.66% copper over an average width of 4.7 ft. Length of the ore shoot has increased from 280 ft. on the 150-ft. level to 524 ft. on the 450-ft. level.

So far at the 600-ft. horizon, 420 ft. of ore has been opened with the drift face still 100 ft. away from the projection of upper level ore. There is parallel ore too at this horizon.

"It is obvious that the financing which has been arranged is extraordinarily favorable to the successful operation of this very large mining venture on proven properties," Anacon's president, M. J. Boylen, states of the new plans.

ATTENTION
INDUSTRIALISTS AND INVESTORS

Your attention is directed to the forthcoming INVENTORS AND SCIENTISTS EXHIBITION to be held in Toronto. Here will be brought together new, exclusive ideas and inventions, some of which you may well find of interest and profit. We encourage you to investigate this occasion further.

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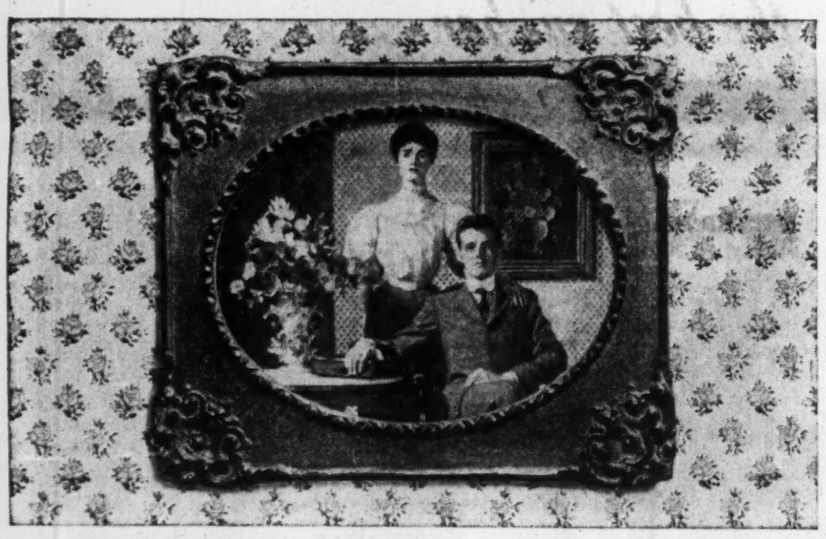

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IF YOU doubt that it's good to be alive at 70, 80 . . . or even 90 . . . look about you. You will find many of our senior citizens at these ages "spry as larks" . . . living long and liking it!

Liking it? Yes, indeed! For much is being learned about how to make life's later years happy, active and rewarding. *Geriatrics* . . . the science of helping older people enjoy longer life . . . has contributed much to our brighter outlook on growing older. As research in this specialty continues, perhaps even greater gains in life conservation may be made.

In addition to the striking advances made in geriatrics and other health and medical sciences, the rapid rise in our standard of living has been an important factor in making life longer and more healthful. The effect of all these advances is highlighted by these facts:

The average life span for Canadians is now 69 years.

There are now more than one million Canadians who are 65 and older, and by 1960 it is estimated that they will number 1,300,000.

Specialists agree that when a man reaches his 65th or 70th birthday, his "age" depends not so much on the calendar as on his earlier health habits . . . especially during mid-life when so many of the chronic or degenerative diseases begin to develop. To help forestall such disorders, or lessen their effects if they should occur, authorities make this recommendation:

Go to your doctor for regular health examinations. He may be able to detect conditions of which you are unaware. Through prompt diagnosis and treatment, he may spare you serious illness later on and perhaps add years to your life.

In addition to regular medical checkups, a healthy old age may depend on the living habits that you follow after 40. It is important, for instance, to control your weight through proper diet. It is also wise to slow down, to get your required sleep regularly, to take the type and amount of exercise that is best suited to your physical abilities and to follow a hobby that will help keep your mind sharp and alert.

There is no "magic formula" for a long and healthy life. However, experts agree that the person who prepares *early* has the best chance of getting more . . . rather than less . . . out of the years beyond 65.

Metropolitan has published a booklet to help you live long and like it. The title is "Your Future and You." Just fill out and mail the coupon below for your free copy.

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Lorado Gets More High Assays While Down Hole Proves 'Hot'

More excellent uranium values have been secured by Lorado Uranium Mines in lateral work at the 220-ft. horizon, while a hole below the level appears indicative of good uranium values.

The last five drift rounds taken out of 105 north heading have all returned good uranium values.

A value of 0.52% U_3O_8 of $75.40 a ton was followed by one which gave 0.62% or $89.90 a ton. Following this, the next face gave 2.24% or $324.80 a ton. These rounds were taken out over drift width of 6 ft. with the walls stated to show excellent ore.

The 105 north heading was then split. The first round in the right drift heading gave 3.31% or $479.95 per ton over drift width.

The first round in the left heading gave 0.46% or $66.70 per ton over drift width.

There is estimated to be about a 20-ft. ore width indicated.

A diamond drill hole put down from the 103 south crosscut northeast to cut about 60 ft. ahead of the shaft on the 101 north drift showed high-scale radioactivity when probed for the full 128-ft. length of the hole. Some 13 ft. of core was lost. The first 14 ft. so far assayed ran 0.29% or $42.05 per ton. The hole was put down flatly at an angle of 30 deg. and went to about 70 or 80 ft. below the 101 crosscut.

News on ore development in the heading being carried along a flat hole put out from the 220-ft. level station is expected to be released shortly.

Faraday High Grade Section Excites Bancroft Interest

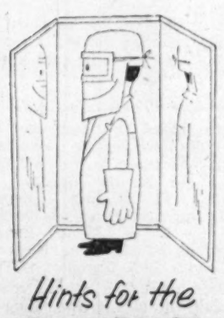
Does a high grade ore section unexpectedly encountered in the west adit at Faraday Uranium Mines mean that the Bancroft area may have its high grade uranium bodies as well as lower grade?

Cutting of unusually high grade material at Faraday has made this question a lively one and infused sharp new interest in Bancroft developments.

Drifting in the west adit has been carried for about a length of 50 ft. on the material which has aroused all the interest. Slashing and further drifting along it was scheduled to be resumed toward the end of this week.

Where first encountered, muck sample from the initial round graded 2.91% U_3O_8 or $421.95 a ton at the $7.25 a lb. price for uranium oxide. A total of 210 tons of muck, including a large amount of overbreak at the turn of the drift and elsewhere, has returned an average of 0.795% or $115 a ton. This represents about 23 ft. of the drifting in the 50-ft. length mentioned above.

The company now has approximately $350,000 in its treasury following the recent sale of 100,000 shares at $2.00 a share.



Hints for the
WELD-DRESSED
Man

LATEST RESEARCH and newest techniques in aluminum welding are passed on to Canadian industry in clinics conducted by Aluminium Laboratories Limited, in Kingston. Plant engineers, managers, foremen and welders attend lectures and demonstrations by Alcan's research specialists.

We mention it here to show how closely the companies that *use* aluminum and the company that *supplies* it work together. More than a thousand manufacturers turn Canadian aluminum into everything from airframes to hairpins. And they know that in exploring new uses or improving old ones they can always call on Alcan to help them find the answers. Aluminum Company of Canada, Ltd. (Alcan).

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To Start on 3,000-Foot Shaft Soon for Potash Development
Great Industrial Project 15 Miles East of City
—SASKATOON STAR-PHOENIX, Nov. 4, 1954

Science In Saskatoon, Saskatchewan
Research Leads to New Use for West's Farm Products
—THE FINANCIAL POST, Nov. 6, 1954

● Potash Co. of America Spending Millions

Latest BIG news in Saskatoon concerns the greatest single new enterprise now being set up in Saskatchewan:—the commercial development of huge potash deposits at Patience Lake, 15 miles east of the city. Until Nov. 4th, there had been little publicity regarding the exploratory work and the intentions of the Potash Company of America Limited whose parent company operates the big potash industry in Carlsbad, New Mexico. In addition to a 3,000-foot shaft there is to be put into operation a 7½-mile-long conveyor belt, the largest in the world. An official of the company expects the industry will create hundreds of jobs. (Two other international organizations have negotiated for exploratory permits in the immediate Saskatoon trading area.) Majority of the product will go for common fertilizers; by-products are for use in the production of soap, glass, matches, explosives and high octane gasolene.

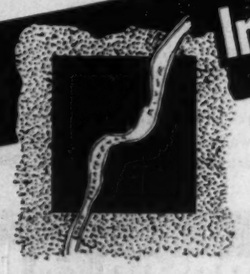
● New Kinds of Wall Board, Starch, Syrup from Wheat

Recent research has uncovered two fabulous opportunities in north-central Saskatchewan:—the first, a commercially feasible process for making fibre building board from the west's largest waste item: wheat straw. (It is estimated by the National Research Council laboratory officials at Saskatoon that a plant costing $795,000 can, operating at full capacity, yield a gross annual profit of $395,000.) The second is a new "batter" process capable of extracting more of the starch out of wheat. Here again, NRC's figures indicate a commercially profitable operation. These two challenging opportunities for an individual or group seeking new ventures are ready for development in the Saskatoon area, in the very heart of a bountiful supply of low-cost raw materials; plus abundant electrical energy and low-cost natural gas for industrial purposes.

Only City with Natural Gas!

More than one-half of Saskatoon's 16,000 homes are now gas-equipped for heating and cooking; most industrial plants were among the first to convert. The Saskatoon electric power plant stepped up its capacity to 75,000 kilowatts this spring, and will add another 13,000 kilowatts by 1956. With more than $15,000,000 worth of new construction "in the works," Saskatoon today enjoys the largest construction program (on a per capita basis) of any city in Canada!

Build In Saskatoon
Grow In Saskatoon



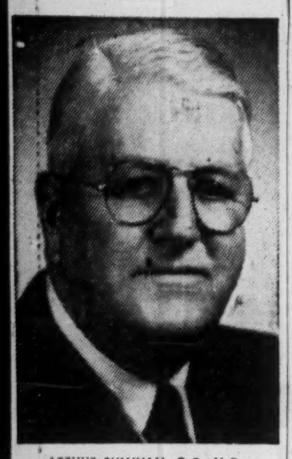
Sites for Sale

Saskatoon is "The City with the Fringe On Top, on the Bottom and on the Sides"—having recently absorbed some of its "fringe areas" into "Greater Saskatoon"—increasing the area of the city by 4,000 acres, much of it available for industrial sites.

☆ WRITE: S. N. MacEachern, Commissioner, Saskatoon Board of Trade, Bessborough Hotel, Saskatoon, for a copy of "You Were Asking About Saskatoon."

ANNOUNCEMENT

Labatt Director



ARTHUR SULLIVAN, Q.C., LL.D.

John Labatt Limited is happy to announce that Arthur Sullivan, Q.C., LL.D., prominent Winnipeg lawyer and business executive has been elected a director of the company.

Progress Reports on Oil Companies

Calgary, Edmonton

An improvement in earnings was shown by Calgary & Edmonton Corp. in the year ended June 30, 1954, with a net profit of $660,309 equal to 28c a share, as compared with $413,434, 19c a share the previous year.

Production revenue rose to $1,551,241 from $1,186,510 due to larger returns for petroleum leases and options to lease mineral rights held by the corporation; participation interests in additional wells drilled in the Camrose area; and an increase in price in the crude oil. All of these more than offset the normal decline in production from older wells.

At June 30, 1954, the corporation owned mineral rights in or under 1,142,109 acres and held interests in 208,456 additional acres in Alberta. The total area covered by options granted by the corporation and in effect at June 30, 1954, was 134,020 acres, while total area covered by petroleum leases granted by the corporation was 225,510 acres.

In its latest fiscal year, Calgary & Edmonton Corp. has directed most of its development drilling to acreage in the Camrose area but, in addition, participations were taken in four wells in the Armena area. Of 17 wells drilled during the year, nine were completed as producers, three were abandoned and five were still drilling at year end.

Working capital position showed considerable improvement during the latest year, with a net working capital of $1,890,800 at June 30, 1954, including securities at book value which was approximately $200,000 less than market value.

Cdn. Atlantic Oil

While Canadian Atlantic Oil Co. has approximately seven million bbls. of oil reserves, the company has devoted much of its recent attention to development of gas reserves in the Peace River area of northwestern Alberta and northeastern British Columbia where numerous discoveries have been made.

Under terms of an agreement with Southern Production Co. Inc. of Fort Worth, Texas, the latter company agreed to spend a minimum of $5 millions during 18 months in exploration of 27 individual unproven blocks of properties containing 3,707,658 acres. In the event that commercial production is obtained, Southern Production will earn one half of Canadian Atlantic's interest in the project on which the discovery is made.

Southern Production will also be entitled to recover all exploratory costs incurred out of first production. Working arrangement can be renewed for a further year after the original 18-month period by Southern agreeing to spend an additional $3 millions. Then $2 millions must be spent in the following year.

If terms of the agreement are carried out in full, Southern Production is to receive options to acquire at $4 a share stock of Canadian Atlantic equal to one third of its outstanding shares.

Failure of Westcoast Transmission Co. to secure construction of its pipeline to service the United States Westcoast market was a blow to Canadian Atlantic, but negotiations are being carried on with apparently good chances of alternative marketing arrangements.

Canadian Atlantic has varied interests which include an acreage block adjacent to Pembina and an interest in 348,000 acres in the Athabasca oil sand area, north of Edmonton. Oil reserves on the latter holdings have been estimated at 1.875 billion bbls. of oil.

Crude sales were $1,047,807, including gas, in the year ended Feb. 28, 1954, with a net loss of $57,037, after over $400,000 of writeoffs. Working capital at Feb. 28, 1954, amounted to $1,738,489 which did not reflect the fact that value of marketable securities exceeded book value by approximately $390,000.

Canadian Decalta

Canadian Decalta Gas & Oils, which holds interests in 27 producing oil wells and five gas wells in Alberta, holds a 0.33% interest in 100,000-acre reservation in the Sturgeon Lake area being explored by Hudson's Bay Oil & Gas and Union Oil of California.

The initial discovery well on this reservation found 214 ft. of oil pay zone in the D3 at 8,276 ft. depth early in 1954. A second well to the southeast was abandoned but a third well is drilling about 4½ miles southwest of the original well.

In February, 1954, Canadian Decalta was appointed general manager of Albermont Petroleums.

Crude production interests were extended this last year with a 25% interest acquired in six D2 oil wells in the Leduc area. Other oil wells were successfully completed in the Joseph Lake and Rimbey fields.

The company capitalizes its expenses. Balance sheet as at April 30, 1954, showed $341,167 working capital and $1 million 5½% convertible sinking fund notes due Sept. 1, 1968.

God's L. May Get Copper Body Next to Sherritt at Lynn L.

A number of diamond drill holes put down by God's Lake Gold Mines next to Sherritt Gordon Mines at Lynn Lake have been returning copper values suggestive of a copper ore body. Only incomplete results were available at press time.

No. 19 hole, put down at 45 deg., returned 12.9 ft. of core starting at 209 ft. averaging 2.4% copper and modest zinc including one 5-ft. section which ran 4.01% copper and 0.53% zinc. This intersection was preceded by 6.2 ft. of core which ran $7 in gold.

No. 20 was drilled from the same setup, but details are not available.

No. 21 hole, some distance from No. 19, is also not available in detail, but No. 22, from the same setup gave 18.2 ft. averaging 2.2% copper and low zinc values from 136.8 ft.

Further assays—without logs—have been received of 13.50% copper, 4.01% copper and 3.44% copper representing intersections in either holes Nos. 20 or 21.

No. 23 was to be drilled about 50 ft. northwest of No. 22.

Camdeck to Drill At Beaverlodge

A program of diamond drilling is to be carried out by Camdeck Gold Mines on its 15-claim property adjoining to the north of the main property of Eldorado Mining & Refining at Beaverlodge.

A financing agreement has assured $60,000 with options granted on additional shares to produce an additional $220,000, if fully exercised.

A contract for 5,000 ft. of drilling has been let for testing of three radioactive zones established on the company's holdings. Camps have already been erected and a road bulldozed from the Eagle shaft of Eldorado a distance of about three-quarters of a mile.

Both drill and crew are on the ground and drilling was expected to commence this week.

Camdeck also retains a group of 21 claims in the Kowkash mining division in the general region of Teck-Hughes discoveries with the claim-staking rush now extending past the Camdeck group.

Rexspar Adit to Open 'A' Deposit

Rexspar Uranium reports underground development work is planned on its "A" ore body, one of two uranium ore deposits being brought under development at its mine operation in the Kamloops sector of British Columbia.

The $50,000 program, as approved, will be an adit operation involving some 900 to 1,000 ft. of drifting and raising, L. F. Labow, manager of Technical Mine Consultants, advises. The Rexspar organization and the TMC field engineering will undertake the program work estimated to require four months.

Objective of "A" zone development is fundamentally the same as it was with the Black Diamond ore development work, Mr. Labow stated. This will be to test the ore in place, delineate the ore zone and add to the 110,000 tons of $15.95 ore material indicated in surface drilling to date.

Mr. Labow pointed out that underground work on the 600,000-ton BD ore deposit revealed the presence of larger tonnages than indicated by surface drilling. It is considered probable that similar conditions and results will be encountered in the A zone program.

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If you're planning a new building, or an addition, be wise and first check these advantages of a Stran-Steel Long-Span 50 or 60, or a Long-Span Rigid-Frame 40:

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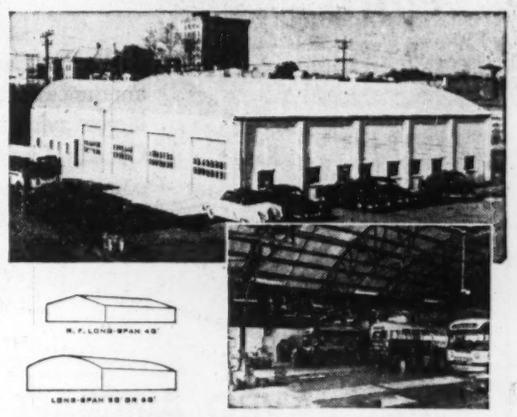

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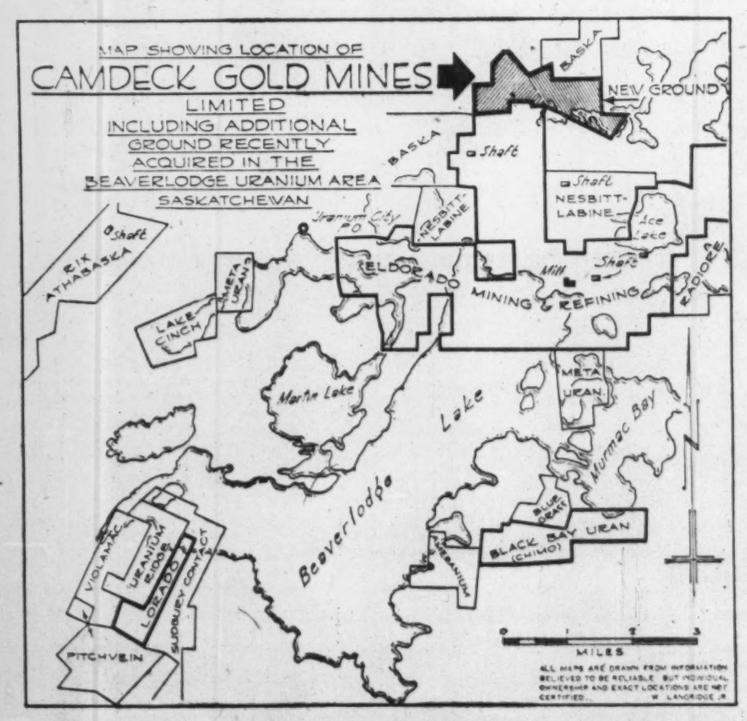

Camdeck's property comprises a 15-claim group adjoining the north boundary of the Government-operated Eldorado Mining & Refining Company.

A Diamond Drilling contract for 5,000 feet of AXT core has been let and a road bulldozed from the Eagle shaft on Eldorado's property to the Camdeck group. Camps have been completed and drilling should get underway this week.

Preliminary exploration has established four radioactive zones on the property.

An underwriting agreement has been concluded on a firm basis whereby $60,000 will be placed in the treasury.

The company retains its original 21-claim group in the Kowkash mining division (Ontario) where recent surface finds by Teck-Hughes have created a staking rush in the area.

Shareholders are requested to register their certificates in their own name with the company so that they can be kept informed of the company's current development operations.

D. F. HURD, President

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announces the formation of

AVRO AIRCRAFT LIMITED **ORENDA ENGINES LIMITED**

and the acquisition of

CANADIAN STEEL IMPROVEMENT LIMITED

A. V. Roe Canada Limited, which this week enters its 10th year, announces another major move in its steady advance as Canada's largest aviation enterprise . . . On January 2, 1955, A. V. Roe Canada Limited will become the parent company of a three-company group through the incorporation of its Aircraft Division as AVRO AIRCRAFT LIMITED and its Gas Turbine Division as ORENDA ENGINES LIMITED and through the acquisition of CANADIAN STEEL IMPROVEMENT LIMITED. Thus, A. V. Roe Canada Limited becomes a group operation . . . but each company will be independent of the other . . . will have the greatest possible scope for individual growth . . . will develop its own destiny . . . its own products and customers . . . while enjoying the benefits of the management and financial strength of the group as a whole.

AVRO AIRCRAFT LIMITED

On its emergence as a separate corporate entity, Avro Aircraft rededicates itself to the maintenance of its pre-eminence in Canada through its past and current design and production achievements and through the promise of greater things to come.

In fulfilling its role, the new company will direct the efforts of some 10,000 skilled designers, engineers, technicians and production workers in maintaining the flow of CF-100 all-weather fighters . . . in helping the R.C.A.F. "keep 'em flying" through trained service representatives in the field, and modern repair and overhaul facilities at Malton . . . and most important, by ensuring through constant and unremitting research, design and development by its engineering staff, that the aeronautical needs of the future are successfully met.

With management and policy unchanged, Avro Aircraft will continue to discharge its high responsibility as one of the main industrial arms of the R.C.A.F. and through present and future projects build and reinforce Canada's air defence.

CANADIAN STEEL IMPROVEMENT LIMITED

Established in 1951 to supply jet engine blades—probably the most exacting shape ever forged in Canada—Canadian Steel Improvement Limited occupies a unique place in Canadian industry.

Since its formation, C.S.I. has produced millions of jet engine blades and other precision forgings for the aircraft industry and at the same time has expanded into other fields until today it offers a complete forging service of the highest standard for the fabrication of components in steel, high temperature alloys, aluminum, titanium, and other non-ferrous alloys.

C.S.I.'s work force of 400 includes expert metallurgists, die designers and skilled craftsmen and, in step with Canadian industrial growth, will have additional facilities available next year. These will include an increased range of forging equipment to undertake the largest forgings in the aircraft industry, thereby bringing C.S.I. closer to its goal of a complete forging and casting service.

ORENDA ENGINES LIMITED

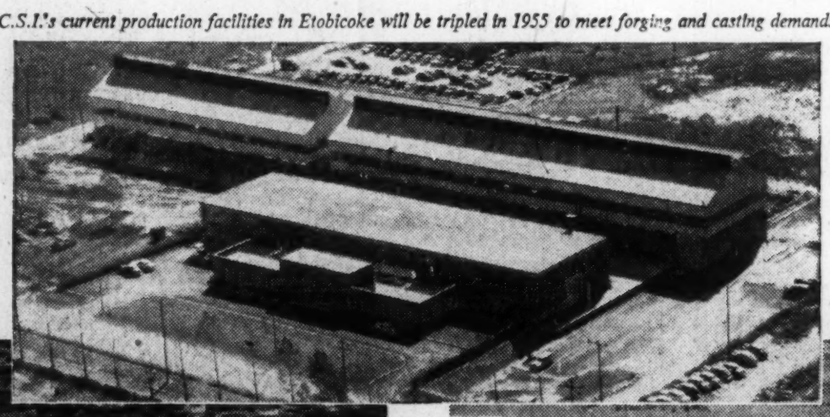
Orenda Engines begins its corporate life with an established record of engineering and production achievement, with management and policies unchanged and with the same goal . . . leadership in the field of aerial propulsion.

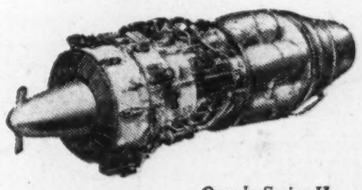
From Orenda's design, development and production departments came the first all-Canadian jet engine to power the CF-100 and F-86 Sabres V and VI. Through constant development, the various series of the Orenda, now at 11 and 14, have increased in power and reliability. In addition to the present extensive design, engineering and experimental offices and laboratories at Malton and a full scale test plant at Nobel, Ontario, expanded research facilities are now under construction to deal with the increasingly complex requirements of the future.

The 6,000 people in the Orenda family are dedicated to designing, manufacturing, maintaining and servicing modern jet engines and other forms of aero power and to the building of a sound aircraft industry for the defence and development of Canada.

C.S.I.'s current production facilities in Etobicoke will be tripled in 1955 to meet forging and casting demands.

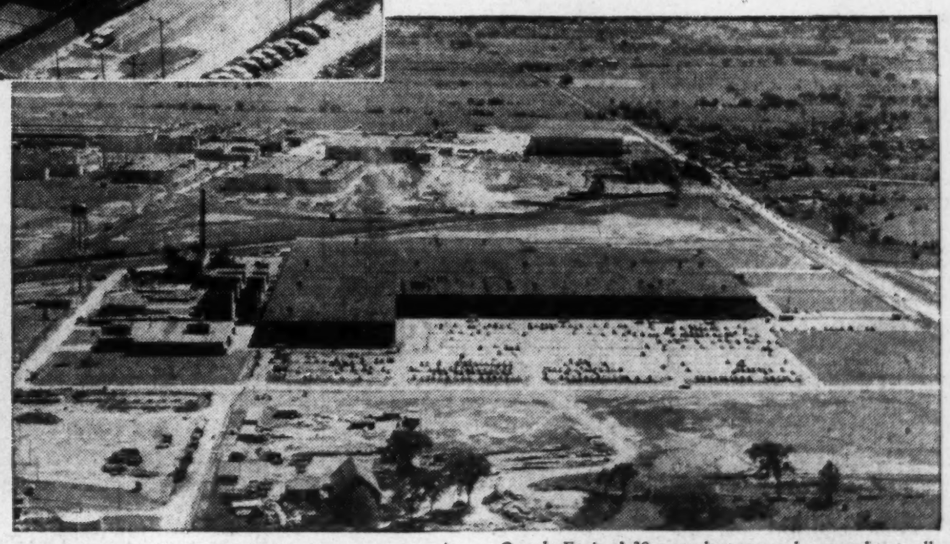
CF-100, Mark 4





Orenda-Series II

Avro Aircraft's multi-plant operation at Malton produces Mark 4, CF-100's for the R.C.A.F.



Orenda Engines' 30 acre plant, power house and test cells produce Orenda's for CF-100's and Sabre V's & VI's.

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"DEDICATED TO CANADA'S JETPOWERED LEADERSHIP IN THE AIR"

The Financial Post

Vol. XLVIII Publication Office: Toronto, December 4, 1954 No. 49

Now We've Got Oil Plenty — And a Market Challenge

By GORDON M. GRANT

Our Western Canada oil industry today is literally surfeited with "money"—but can't live up to its resources.

It is in the position of the heir to a large fortune who sees prosperity beckon but must live on sandwiches rather than caviar until he reaches full maturity.

The "money" with which our western oil industry is so singularly blessed is oil. Black gold. Bankers are eager to lend money on it. It's being sought more avidly than gold these days.

Oil industry authorities have, with more truth than fiction, been accused of having two calendars "BL" and "AL"—before Leduc and after Leduc.

But it is necessary to go back to Leduc, along with the oilmen, to see why this country still has a new challenge in oil in the year 7 AL.

Like a small boy outgrowing successive suits, the Western Canada oil industry has had a remarkably consistent record of outgrowing markets since first Prairie oil was found on a frosty February day in 1947.

Initially, the problem was one of expanding local Prairie markets. These local markets expanded and grew very quickly. But they couldn't handle all the oil available from Leduc and the Redwater field found the following year.

The pipeline era was expected to solve the question of realizing on the new oil money Prairie crop. The Interprovincial Pipe Line from Edmonton to the Head of the Lakes was completed in August, 1950, opening the Eastern Canada market to western crude. The Trans Mountain Oil Pipe Line to Vancouver and the west coast became an operating actuality in August, 1953.

The Market Conundrum

But even with extension of the Interprovincial line to Sarnia by late 1953, looping to provide greater capacity, and the large ultimate 300,000-barrel-a-day indicated capacity for the brand new Trans-Mountain line, marketing is again proving something of a conundrum. The world oil picture has shifted. Available markets are again no match for established capacity to produce oil.

Our trouble this time is the fact that everybody else has oil to sell besides ourselves—not inability of our pipelines to deliver the oil.

This year we will produce an average of about 265,000 bbls. of oil a day in Western Canada. That's a healthy 21% increase over the 219,000 bbl. of 1953 average—and 1,175% over 1947, but far below the oil output level anticipated earlier for the current year.

It has recently been estimated that already completed wells could satisfy 70% of Canada's current oil consumption of 560,000 bbls. daily if it were physically possible, and economically desirable, to have them do so. Restricted markets for oil—along with impassable western roads—have cut back development drilling this year. Otherwise ability to produce oil would probably have drawn even closer to our oil consumption—itself more than doubled since Leduc.

Canada's proven oil reserves at the end of 1955 amounted to 2.0 billion barrels including only a minor allowance for crude contained in the Pembina field discovered in June, 1953. Pembina is expected ultimately to provide about a billion barrels of oil by primary production with considerable secondary recovery as well.

With an estimated 4,000 drill sites provided by this huge field, a tremendous ability exists to expand present productive potential.

With such a vast latent ability to produce oil there's great importance in questions like these:

—To what extent can the domestic market for crude be expanded despite competition of foreign crude?

—How much can our present foreign crude market be broadened by supplying "dry" U. S. areas close to our borders?

—How long will cheap tanker-borne crude from the Middle East at the coasts of North America keep us from more distant markets?

The answers: We'll use more at home. We'll sell more in the U. S.

The record shows almost half (48%) of all Canadian crude requirements are now being met from domestic sources — double the 21.7% of 1950 when new pipeline facilities were just starting to operate.

An increased market for western crude is assured in both Eastern and Western Canada in 1955. The increase won't be king-size but will very materially assist in keeping our oil production turned upward—and oil industry revenues increasing.

All the refiners expanded capacity in the Sarnia area of Ontario this year. That will be a factor this coming year. Only the new Sun Oil refinery continues to use U. S. crude exclusively at Sarnia. This situation may change if Sun develops sufficient Western Canada crude of its own.

Interprovincial spending on looping and pumping stations in 1954 has aggregated about $55 millions—the largest sum in any year since the line opened—indicating confidence in growing Canadian oil use in Eastern Canada (and the U. S.). Present crude market in the Sarnia refining area is 100,000 bbls. daily but Interprovincial Pipe Line has designed its line for an ultimate capacity of 300,000 bbls. Interprovincial deliveries to Sarnia averaged 65,300 bbls. in November.

Cut Prices for Montreal?

The Montreal area, with an oil products use of close to 200,000 bbls. a day, would appear a logical target for pipeline plans. But to take Prairie oil this far east would require a wellhead price cut of 25c a barrel. With development of crude potential of the Pembina field, pressure for wider markets might conceivably bring such a cut—if a much bigger market could be assured.

Before any line to Montreal would be decided on, however, extension of the Sarnia line the relatively short distance to the Oakville-Toronto area would appear likely. Any such extension is at least two or three years in the future, it is believed.

Just the normal growth of oil products use in Eastern Canada, of course, can be counted on for a considerable extension of eastern crude marketing even without more pipe lines.

On the Pacific Coast, pipeline-delivered Canadian crude is only barely competitive with tanker-borne crude from the Middle East and South America. Our once-expected dominance of this market just hasn't occurred. Two years or more may elapse before the pressure of tanker crude is lifted on the West Coast. The meeting of Canadian crude head-on with foreign tanker crude has been a body blow to our early hopes for a major West Coast market for Alberta crude stretching all the way to California.

From an early movement of only 30,000 bbls. a day to the West Coast, however, Trans-Mountain oil transport has now moved up close to 50,000 bbls. a day with the new Standard Oil of B. C. 10,000-barrel refinery "on stream" at Burnaby.

The new General Petroleum Corp. refinery in Washington took 11,500 bbls. of Canadian crude in November and is expected to boost its take to 15,000 bbls. A slight competitive disadvantage of Canadian crude in this market has made it impossible to capture more than a part of the General Petroleum crude market without a crude price cut.

Allowing for U. S. Pacific Northwest imports, deliveries of oil through the pipeline will probably reach 55,000 to 60,000 bbls. a day early in the new year. British Columbia is becoming increasingly important as an outlet for crude with Imperial Oil, Shell Oil, Standard Oil of B.C. and Royalite all now operating refineries.

While the Pacific Coast developments have been disappointingly slow, it is thought that this market may absorb 100,000 bbls. a day by the beginning of 1956.

It is estimated that Canadian refinery capacity will reach 613,925 bbls. per day by end of 1955 which will undoubtedly mean a substantially increased ability of the refining industry to absorb domestic crude. Even on the Prairies, refinery capacity is still growing.

While the U.S. isn't proving the big immediate market for crude at one time hoped for, still it is assisting very materially in marketing more oil. And from the long-term standpoint, the U.S. could prove a very important customer.

So far the Pacific Northwest and the mid-northern states (Minnesota, Wisconsin and Michigan) look like "dry areas" which we might hope to tap as markets in a substantial way.

Minnesota will soon take a very appreciable quantity of Canadian crude as a new pipeline will shortly service the Fosterton medium crude field in Saskatchewan. The Great Northern Oil Co. refinery at St. Paul will be able to use up to 25,000 bbls., it's expected. Only very limited marketing of the 24-deg. Fosterton crude had been possible earlier.

Recapture U. S. Outlet?

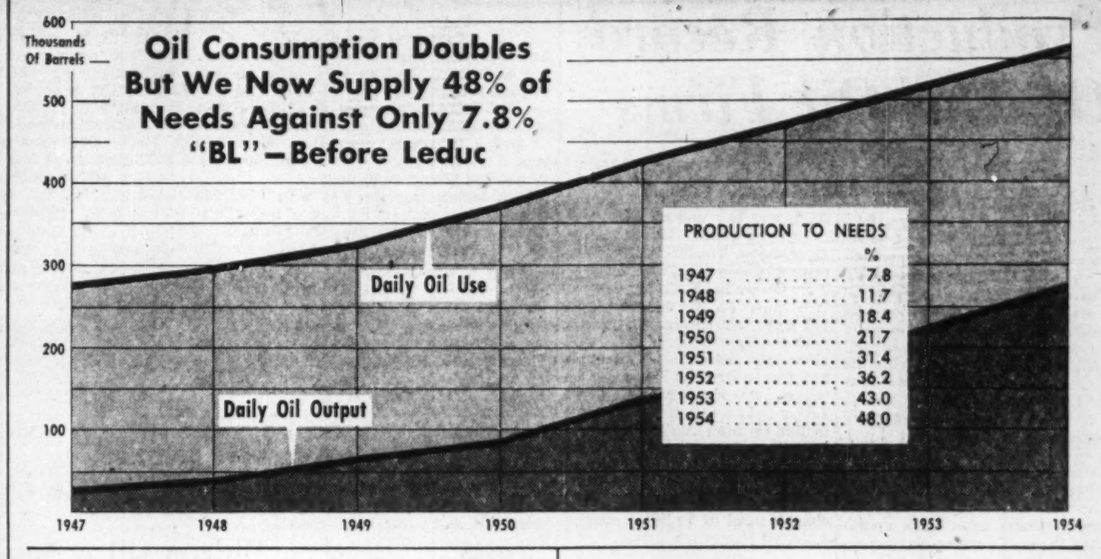
Discovery of oil in the American portion of the Williston Basin caused us to lose our Lakehead oil export market, but the new Mandan refinery may mean our recapture of this market, which is good for about 15,000 bbls. a day.

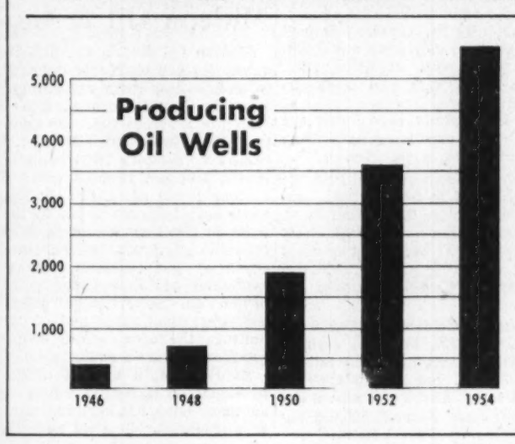
The tanker challenge to our entry into more distant U. S. markets, despite our pipeline facilities, will likely last for at least two years.

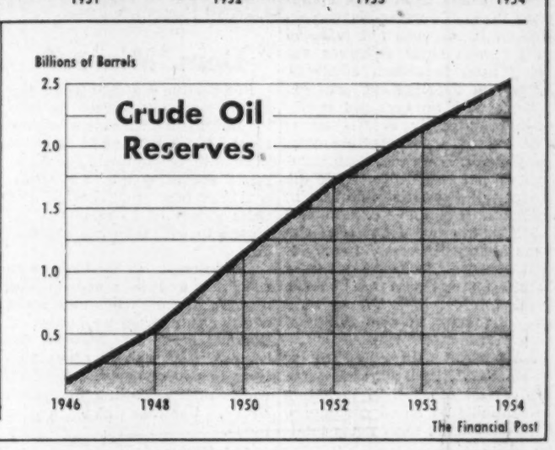
The large, more efficient types of tankers, and their greater numbers, have meant such low transport costs that world movements of oil have been literally revolutionized.

But continued growth of the Canadian developed oil productive potential — and a decision to trim the well head price for crude — can still open more distant markets. Average drilling depths for oil in Canada should be much less than for older areas, such as the U. S. Thus the cost of producing a barrel of oil in Canada should also be relatively low. A point may be reached where a cut in well head price may mean larger profits through larger marketings.

Canada Closing The Gap







While there has been slackening in Western Canada oil field activity, this has not been of any great extent. Big U. S. companies, which did not get in on the initial phases of the great Canadian oil play, have taken over exploration from many independents which didn't have the funds.

Most of the reduction in activity has been in geophysical activity. But even this business felt quite a fillip with the discovery of Pembina.

Actual exploratory drilling in the first 10 months of this year at 2,543,984 ft. was slightly ahead of the corresponding footage, despite road bans caused by this year's extremely wet season.

More Winter Drilling

A lower development footage (over-all drilling was down 8%) is regarded as a not so surprising development in view of the relatively modest expansion in the market for oil plus weather difficulties. There is a distinct possibility of an upturn in development drilling as frost-stiffened ground improves the transportation picture.

Lush acreage of the Pembina region is really pay-off goods for the oil business. With sizeable chunks of oil rights auctioned off by the Alberta Government, a growing number of operators are undertaking operations in this field. There are now 35 drill rigs at work in the area. This winter may see a great intensification of development drilling.

As pay zone depths are greater than for either Leduc-Woodbend or Redwater, the drilling of thousands of wells in this great new oil region may mean a period of more profitable operations for contract drilling operators.

The area of Canada recognized as good oil country is gradually broadening out in a way significant of the future oil productivity of the country. Manitoba, earlier considered but marginal oil territory, started coming into its own this year. It was the only province to show an increase in total drill footage to the end of October in 1954 with footage more than tripled to 561,629 ft. through drilling of 223 wells. Production up to the end of September was 1,418,936 bbls. — four times that of the corresponding 1953 period.

Cracking the Bottleneck

Most of Saskatchewan's more recent discoveries have been of the medium gravity character, with marketing a problem. But the new Fosterton field pipeline provides the first real break in the marketing bottleneck. Abundance of light crude in Prairie areas has made the problem of cashing in on medium crude more difficult than might have been expected.

British Columbia has established large quantities of gas in its Peace River section in the northeast part of the province but has yet to record its first commercial production of oil despite a large volume of drilling. However, there have been indications of oil at two locations.

The latest discovery — and one which may prove commercial — has been made two miles west of the Alberta boundary and 25 miles northeast of Fort St. John in Peace River country. This discovery was made in a 30-ft. section of Triassic formation starting at 4,310 ft. with oil of 34-deg. gravity. Socony Vacuum Oil Co. of Canada, Canadian Gulf Oil Co., Texaco Exploration Co. and Shell Oil Co. of Canada were the team responsible for this strike in NFA Boundary Lake No. 1 well.

Best previous B.C. oil strike was at Pacific Petroleums' Buick Creek No. 3 well, some 35 miles north of the Fort St. John gas field. This well found uncommercial oil in the Nikinassin section of the Jurassic.

So far recent exploratory drilling in the Northwest Territories and Yukon — both with large areas of favorable rocks — has been quite limited. Both these sections will likely prove oil fields over and above the Norman Wells pool already established.

In Canada's Arctic, of course, salt domes have been identified which could spell huge resources of oil when exploration is undertaken.

The extent of the search for oil in Canada is difficult to comprehend. Exploration and development spending is running at a level 10 times that of 1946.

Explored Acreage Soars

Acreage under exploration in Western Canada has climbed from about 20 million acres at the beginning of 1947 to approximately 185 million acres at present.

To put it another way, every month since Leduc, the region being explored in Western Canada has been increased in size by an amount equal to a strip of land almost 4½ miles wide between Winnipeg and Edmonton.

So competitive has been the situation regarding the securing of land for exploration that this competition has resulted in an increase of 1,500% in the average price per acre paid today, compared to the average price in 1946 and 1947.

Back in 1946 there were about two dozen companies exploring for oil in Western Canada. Today there are more than 240.

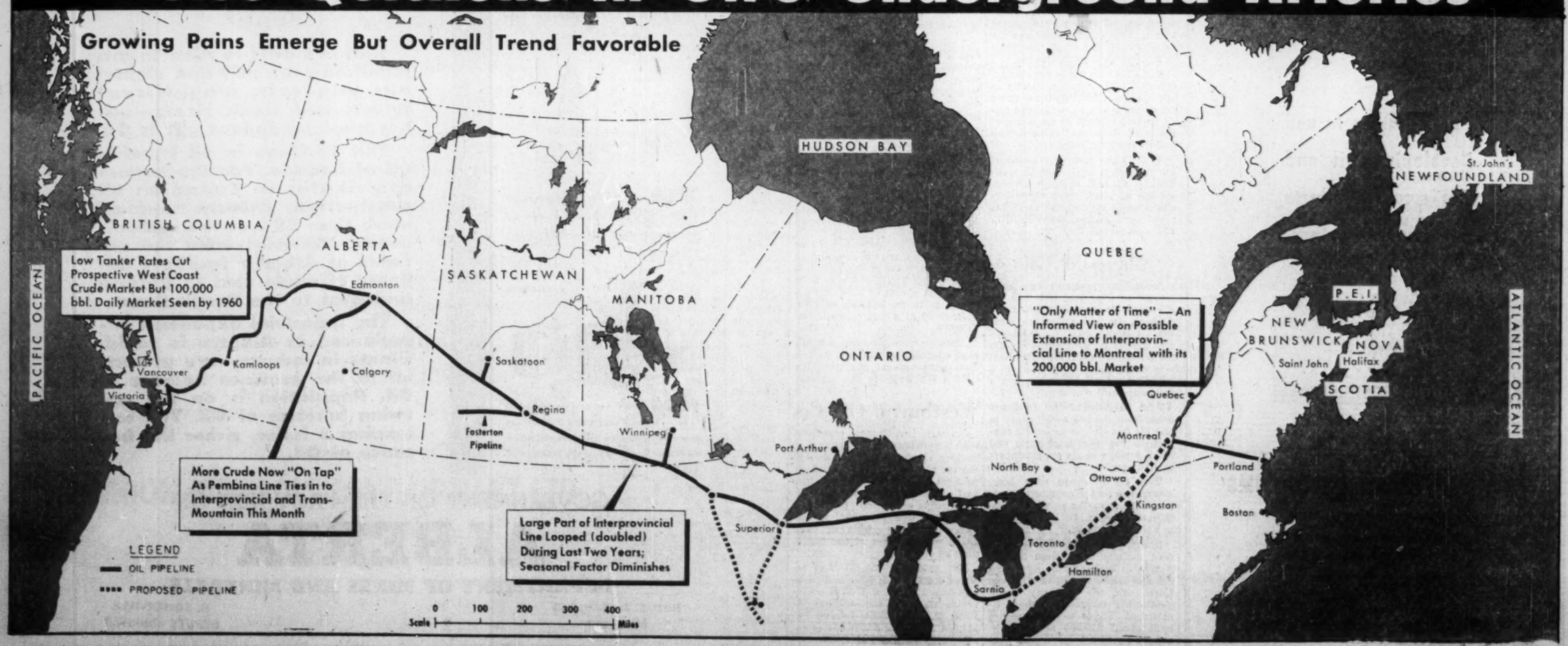
In view of the large oil reserves now known—about 30 times those of 1946—surprise has been expressed that more smaller companies haven't enjoyed a share of success. This may be in part due to insufficient survey work on their part before drilling or just the extraordinarily large bankroll required for assured success in oil exploration.

Much tub-thumping usually accompanies the initial **indicated** discovery of oil or gas, but it is surprising how many indicated discoveries of oil turn out to be non-commercial or barely commercial. That's why so many smaller companies miss fame and why so many independents have been seeking new strength through mergers this last two years.

To be commercial, a field must contain at least one million barrels of oil, an Imperial spokesman pointed out. The chances

(Continued on page 38)

Pulse Quickens In Oil's Underground Arteries



Drilling, Financing Production Record Of The Oil Firms

Jupiter Oils

Jupiter Oils has extended its activities into the Pembina field through acquisition of a 10% interest in two quarter sections of proven Cardium sand lands. The new pipeline to transport oil from Pembina to Edmonton was expected to be in operation early in December and the company hopes for a quick return from the new lands which provide four well sites.

Revenue returns this year are being affected somewhat by a drop in the return from Joseph Lake wells from 20% to 14%, effective Jan. 1, 1954, due to return of development expenditures. Income from U. S. operations through Jupiter-Marwayne-Dragon Inc. is also not reflected in earnings since revenues are being used to return advances. Edmonton Pipeline Co. provides Jupiter with an earnings equity of approximately $70,000 annually but until the pipeline company's debt is retired, such earnings do not accrue directly to the company. Jupiter's interest in Edmonton Pipeline Co. is 20%.

Highlights of 1954 activities have included successful completion of a well in Texas, where a 12½% interest was held and a 7½% interest in a Viking sand gas discovery in the Dodsland area of Saskatchewan.

An unaudited balance sheet as at March 31, 1954, showed working capital of $824,164 including investments in allied companies. Cash and short term notes totaled $440,521.

Jasper Oil

Earlier this year Jasper Oil Corp. purchased effective control of New Concord Development Corp. Ltd. and a substantial block of Okalta Oils stock. The company also offered to acquire further shares of Okalta from Canadian shareholders of that company through a share exchange on the basis of one Jasper share for one share Okalta.

Jasper has a direct stake in 15 producing oil wells in the Redwater and Pembina fields of Alberta and in the Williston Basin of North Dakota, as well as in 151,000 acres of undeveloped lands in those two areas in British Columbia and Texas. Oil reserves were estimated at 500,000 bbls.; reserves of distillate and natural gas were not disclosed.

Under underwriting and option agreements the company has received more than $2.7 millions so far this year, bringing outstanding capital to 1,901,005 shares. There are 3,098,995 shares remaining in the treasury.

Direct revenue of Jasper was stated in May of this year to be approximately $200,000 per annum. Assets of the company totaled $2,611,460 at May 31, 1954, including $1,942,346 investment in other companies at cost. Liabilities included a bank loan of $75,000 repayable from production and a balance of $325,000 due repurchase of New Concord stock.

Leduc Calmar

Leduc Calmar Oil Co. recently acquired an 80,000-acre reservation in the Hamelin Creek area of northwestern Alberta, and will undertake an exploration program on the tract.

The company enjoys revenue from its substantial interests in 16 oil producers in the Leduc field, and has unproven acreage in the Stettler, Oliver Lake, Hughenden, Turner Valley, Barons and Nevis areas of Alberta.

At Oliver Lake further drilling is planned on the company's 6,072 acres, where one commercial and a noncommercial gas well have been completed. Two other holes were dry. At Hughenden a wildcat was also dry, and in the Leduc field a test of the D3 zone, drilled on the same 40 acres as a D2 oil producer, failed to strike oil in the lower Devonian formation.

Company has an authorized share capital of 5 million shares; 4,214,050 shares are issued.

Dom. Minerals

Prospective uranium properties as well as its oil interests are held by Dominion Minerals Development Ltd. A total of 36 claims is held in three groups in the Athabaska-Beaverlodge area of northern Saskatchewan. The Milliken Lake group of 15 claims is reported to warrant close exploration.

Oil interests in Saskatchewan comprise a 10% share in two heavy-grade oil wells and seven additional proven well sites at Lloydminster. In Alberta the company shares in production from one heavy and 13 light oil wells in the Vermilion, Redwater, Leduc, Camrose and Erskine fields.

The company will participate to the extent of 37½% in a wildcat venture on a 320-acre farmout near Beulah, Man. The well will test all horizons down to and including the Devonian, with completion depth expected to be about 2,000 ft. The company's group also holds three other quarter-sections in the neighborhood.

Authorized capital is five million shares, and there are 1,374,993 shares remaining in the treasury.

Franco Oils

Franco Oils Ltd. owns approximately 80% of the capital stock of Vermilion Refinery Co. Ltd., which owns an oil cleaning plant at Borradaile, Alta., leased to Husky Oil & Refining Co.

Company also has a substantial share interest in Vermilion Consolidated Oils Ltd., which has a stake in six gas wells in the Vermilion area. Acreage holdings of Franco consist of 303 acres plus a half interest in 321 acres of undeveloped prospective oil and gas lands near Cardston, Alta.

Last year Franco sold all its assets in Saskatchewan to Fargo Oils for 860,000 ordinary common shares of that company, and sold a wholly owned subsidiary, Franco Public Service Ltd., to Northwestern Utilities Ltd. for an unspecified consideration.

Formation of a new company with the same authorized capital but with stock of $1 par value was authorized in 1953. Another plan to form a new company with a capital of 2.5 million shares of $1 par value was turned down by shareholders.

High Crest Oils

Interest of 12½% and 2?% are held by High Crest Oils in 18 oil wells in the Leduc field, while a stake is also owned in 13 oil and three gas wells in other areas of Alberta and Oklahoma. Landholdings comprise 60,960 acres of petroleum and natural gas leases, mostly in small tracts.

Currently the company is participating in exploring a 400,000-acre gas license at Atlee, Alta. Here the group's two wells encountered gas in the Sunburst and Bow Island sands, and are capable of producing more than 10 million cu. ft. per day.

Company's share of oil reserves is estimated at 99?,405 bbls., and gas reserves are 6.45 billion cu. ft. Oil production net to High Crest totaled 72,605 bbls. in the fiscal year ended Sept. 30, 1954, as against 69,690 bbls. the year before.

Current assets o $20,228 at Sept. 30, 1954, included cash of $1,100. Current liabilities totaled $95,074 and included $78,000 in bank loans. There was also a deferred bank loan of $65,696 repayable out of production.

Production revenue amounted to $245,?75 in the year ended Sept. 30, 1954. After royalties, production and administration expenses and sundry charges, exploration expense of $41,750 including dry holes provision of $24,068 for depletion, $12,780 for depreciation and $19,167 amortization of well cos?e net profit for 1954 was $24,836 as compared with $55,604 for 1953.

Cons. East Crest

Interests in 14 oil wells and five gas wells are held by Consolidated East Crest Oil Co. Productive interests include an 84.4% interest in four Leduc producers and a 27.77% stake in four other Leduc wells.

Over-all oil reserves are estimated at 575,000 bbls.

Gas reserves in the Turner Valley, Vermilion and Rimbey areas were previously estimated at 1,197,082 m.c.f., but these reserves have been enhanced by a gas strike in the Dewar Lake area of Southwest Saskatchewan where East Crest held a 45% share in a 75% interest. Only 1,486,823 shares are outstanding of an authorized capital of five million shares.

Mill City

Participation in a natural gas delineation program in Alberta is being taken by Mill City Petroleums. At Kessler in the eastern part of the province the company has 12½% to 18¾% interest in 68,000 acres, on which 10 gas wells and two oil wells have been completed in the Viking sand. Open flow potential of the gassers ranges up to 67 million cu. ft. daily. All the gas wells have been capped awaiting a market.

In the Atlee area to the south, Mill City and associates are drilling a test well on a 21,000-acre gas license; company has 10%. Team already has two wells on the tract, one of which encountered gas in the Sunburst sand and the other struck it in both the Sunburst and Bow Island sands.

Mill City also holds varying interests in 22 oil wells, mostly in the Leduc field, and in three other gas wells, as well as in undeveloped acreage in a number of areas of Alberta, Saskatchewan and British Columbia.

In 1953 the company acquired all the assets of Leduc Consolidated Oils Ltd. through an exchange of stock on a share-for-share basis. Authorized capital is 6 million shares; there are 4,360,858 shares outstanding.

Marigold Oils

A drilling program has been started by Marigold Oils Ltd. on 320 acres in the Joarcam field, Alberta, farmed out from New British Dominion Oils. Marigold will supply all development costs for a 50% interest. The first well was successfully completed as a Viking sand oil producer, but a followup well was dry.

Also in Alberta the company owns four and has a half share in one oil and/or gas wells, all capped, in the Barrhead area, and holds a stake in six oil producers at Armena.

Two oil successes have been brought in on the company's Ledbetter lease in Texas, which contains 31 well sites. Development is being continued.

Shareholdings in other companies include more than 200,000 shares in each of Pan Israel Oil Co. and Mediterranean Petroleum Corp., and the company has a continuing interest in their financing. These two companies hold about 530,000 acres of licenses in Israel on which geophysical and seismograph surveys have been made. Subsurface work is planned.

A total of 500,000 shares remain in Marigold's treasury, of 3.5 million shares authorized.

Midcon Oil & Gas

Midcon Oil & Gas Co. and its associates are currently engaged in delineating their natural gas lands in Southeastern Alberta.

In the Etzikom field the company and New British Dominion jointly hold about 7,680 acres of leases, and gas licenses cover a further 19,840 acres. Six shallow wells have been completed by the team in the Bow Island sand as potential gas producers. Midcon's share of gas reserves here is estimated at approximately 80 billion cu. ft. A large petrochemical plant, proposed to be built in the area, would utilize gas from this field exclusively.

At Bassano, a wildcat drilled by Canadian Export Gas Ltd. on company lands has been indicated as a quadruple-zone oil and gas discovery. Natural gas flowed from the Bow Island at a maximum rate of one million cu. ft. per day and from the Blairmore at 1.45 million cu. ft. Oil of 31 degrees gravity was met in the Sunburst sand at 4,000 ft. depth and light oil was also encountered in the Madison limestone at 4,100 ft.

Canadian Export Gas is committed to drill two wells here for a half interest in 60,000 acres held jointly by Midcon and Ohio Oil Co., and has an option to drill a third test. The second well is under way.

Midcon also holds interests in 12 oil wells in the Stony Plain and Skaro fields, Alberta, and has shares interests in several other oil companies. At March 31, 1954, three shareholdings were carried at cost of $688,256.

Lloydminster Dev.

An extensive drilling program has been carried out by Lloydminster Development Co. on its holdings in the general Lloydminster area on both sides of the Alberta - Saskatchewan border. As a result the company has a stake in about 30 producing heavy oil wells and 13 gas wells in the Lloydminster, Lone Rock, Marshall and Blackfoot-Durness fields. Company's land holdings in the district total approximately 82,300 acres.

Reserves of the company are estimated to be in excess of 4,117,000 bbls. of heavy gravity crude and about 3.312 billion cu. ft. of natural gas. Production for 1953 amounted to 95,627 bbls. of oil and 257 million cu. ft. of gas, compared with 67,436 bbls. of oil and 557 million cu. ft. of gas the year before.

Company sells all its gas output to the Lloydminster Gas Co. and its oil to refineries in the district. Authorized capital is two million shares; there are 657,193 shares outstanding.

Tri-Tor Oils

A drilling program near Montreal is reported to be planned by Tri-Tor Oils Ltd., in association with other companies. At least three wells would be drilled under the program on acreage held by Montreal Oil & Gas Co.

Company owns 15 heavy gravity oil wells and a gas well at Bonnyville, Alberta, and has four gas wells and an oil well plus 25% interest in one gasser at nearby Cold Lake. Sale of a minimum of 3 million cu. ft. of gas daily to a large government airfield not far away has been contracted.

A subsidiary company owns and operates an oil refinery of 1,000 bbls. daily capacity at Bonnyville. The plant was built in 1953 at a cost of $300,000; capacity is to be boosted to 2,500 bbls. daily at a cost estimated at $750,000.

Another wholly owned subsidiary operates a pipeline which transports natural gas from the Cold Lake wells to the airfield.

Westburne Oil Co.

An oil investment company, with substantial interests in leading Canadian oil companies, Westburne Oil Co., improved its position considerably in the first half of 1954. Market value of investments amounted to 72c a share at June 30, 1954, an increase of about 14.5% as compared with the 63c at the beginning of the year.

Net profit of $37,161 was realized for the half year and there was also a profit of $54,176 on investments in the same period. At June 30, 1954, assets totaled $4,511,554 including $3,976,654 of investments with a $2,982,995 market value. Current liabilities were only $1,886. There were 4,387,500 common shares issued.

Investment portfolio in June, 1954, showed positions in 12 dividend-paying oil companies, including three in the United States, while there were also investments in 25 leading Canadian oil and pipeline companies not in the dividend category.

Wilrich Pete.

With authorized capital increased from five to ten million $1 par shares early in October, Wilrich Petroleums has recently completed new financing. In the last month a million shares were sold at an average price of 36c per share.

In the year ended May 31, 1954, a net loss of $72,365 was reported with no development expense allowance. There was an excess of current liabilities over current assets of $55,683 at May 31, 1954.

During the latest fiscal year, the company acquired an interest in 10 new wells in the Lloydminster area under a farmout arrangement with these 10 wells increasing oil reserves by approximately 7,000 bbls. Company reserves in the Maidstone area were also increased by an estimated 49,000 bbls. as a result of a test-hole drilling program.

Interests include 76,687 shares of Pan-Israel Oil Co. Inc. and 76,687 of Mediterranean Petroleum Corp. (formerly Israel Oil Leases Inc.)

West Maygill

A gain in total assets value from $354,000 at Dec. 31, 1953, to about $5 millions in Sept., 1954, is reported by West Maygill Gas & Oil Ltd.

Company enjoys an income of $60,000 per annum, stated to be more than sufficient to cover all yearly expenses including operating, administration, lease and carrying charges. A three-year program will gradually increase the income by placing proven assets into production, company states. No commitments or liabilities of consequence are outstanding.

In the Steveville gas area of southeast Alberta, which is likely to be one of the first fields to be hooked up to the proposed gas pipe line to Eastern Canada, the company and Great Sweet Grass Oils farmed out 60,000 acres to Canadian Export Gas Ltd. This company is supplying all costs of a 27-well program in return for a half interest in production. About 13 wells have so far been completed as potential Basal Colorado or Viking sand gas producers; only one well was dry.

Company also holds interests in 11 producing oil wells in Kansas, one in Montana and three in Alberta. Oil reserves are estimated at 3.1 million bbls. of light crude and 1.8 million bbls. heavy grade oil. Reserves of gas are estimated at 72.3 billion cu. ft. developed, proven and probable, with a further 32.6 billion cu. ft. possible.

There are just 1,089,000 shares issued out of 3 million shares authorized.

Plenty of Oil — and a Challenge

(Continued from page 37)

for discovering such a field are very small. For the period 1947 to 1953, only one exploratory well out of every 54 drilled discovered a field with reserves of more than one million barrels of oil. It took 336 wells to find a field with more than 50 million bbls. A major field — over 100 million bbls. —required 504 wells to find.

That makes Imperial Oil with only 133 dry holes preceding its Leduc major discovery rather luckier than the average.

Oil Drama for Two

When a small company does strike oil, of course, the "pay off" can be close to fantastic. This has had dramatic demonstration with two Canadian companies — Merrill Petroleums and Canadian Collieries. These were fortunate enough to share in the initial Pembina oil strike with respective interests of 10% and 6 2/3%.

Merrill in its annual report estimated its Pembina reserves as high as 44 million bbls. including anticipated secondary recovery. Thus a 10% interest in a Pembina wildcat may provide $100 millions or more prospective revenue.

Merill stock, which could not have been purchased at as low as $2 a share in September, 1953, not surprisingly sold above the $8.50 mark a year later.

Canadian Collieries, with less shares issued, could have been purchased for $2.20 a share in 1953, has since sold as high as $9.75. In a few short months, oil rather than coal became the company's most important resource.

By and large, however, the last year has been generally a year of gradual rather than spectacular progress. The degree of success enjoyed in finding oil in Canada is still attracting big American interest in participation in the oil search here. This interest appears likely to maintain exploratory activity fairly close to peak levels, even though public financing for independents has been on a greatly reduced scale.

The advantages to Canada of a successful western oil industry need no demonstration.

The saving on Canada's oil "bill" for imported crude will be almost $1 billion by the end of this year. As the third largest oil consuming country in the world, substantial quantities of domestic crude are almost vital.

Our position as a world producer of oil is now unquestioned. Prosperity of our great new industry may vary from year to year with fluctuations in conditions beyond our control. But the importance of western oil to economic development of our country over future decades can hardly be overemphasized.

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OIL... Alberta's Heritage.

1886 —The earliest production of oil in Alberta, at Cameron Creek, which amounted to a scooping up of oil from a seepage before it ran down and joined a mountain stream.

1914 —Turner Valley was discovered and 22 years later Alberta's importance as a crude producer was established with the Valley Canada's only major oil field.

1954 —Seven years since the discovery at Leduc — the most exciting news in Alberta's oil history. Today there are 5,000 producing wells in the Province, capable of producing 345,000 barrels daily.

Nature's gifts to Alberta are manifold—rich soil and plenteous minerals, magnificent forests and scenic rivers—but her most prodigious gift is Oil.

This heritage in oil benefits all of Canada. Far the largest contributor to Canadian oil production, Alberta supplies more than 50% of the nation's needs. Pipelines from the oilfields of Alberta facilitate delivery of crude east to Ontario and west to the Pacific Coast.

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Oil Refinery Capacity By Provinces

Barrels per 24 Hours

	—Nov. 1954—		—Nov. 1953—		—Nov. 1952—		—Nov. 1951—		—Nov. 1950—	
	Crude Oil	Cracking	Crude Oil	Cracking	Crude Oil	Cracking	Crude Oil	Cracking	Crude Oil	Cracking
N. S.	18,000	10,000	22,000	10,000	22,000	10,000	22,000	10,000	20,000	10,000
N. B.	300	...	300	...	300	...	300	...	300	...
Que.	178,000	113,400	176,000	111,900	164,000	103,600	157,000	106,500	131,000	88,050
Ont.	150,000	93,400	135,000	85,050	105,000	60,500	80,700	45,000	88,200	52,000
Man.	20,500	7,375	20,500	6,875	20,500	6,875	19,750	6,875	8,450	2,900
Sask.	73,300	42,050	59,700	24,700	49,500	22,100	39,000	18,360	36,500	18,400
Alta.	64,050	31,900	62,550	31,300	62,300	24,300	61,050	24,300	49,400	18,045
B. C.	56,500	22,150	45,600	10,600	28,350	5,750	28,350	5,750	28,350	5,750
N.W.T.	1,250	...	1,250	...	1,250	...	1,250	...	1,250	...
Total	561,900	320,275	523,150	280,425	453,200	233,125	408,500	216,785	363,450	195,145

Capacities of Operating Refineries

Name of Company	Refinery Location	Crude Oil Capacity (Bbl. per	Cracking Capacity 24 hrs.)	Plant Type
Nova Scotia				
Imperial Oil Ltd.	Imperoyal	18,000	10,000	Thermal
New Brunswick				
New Brunswick Oilfields Ltd.	Weldon	300	....	
Quebec				
British American Oil Co.	Montreal East	45,000	17,500 3,500	Catalytic Thermal
Imperial Oil Ltd.	Montreal East	46,000	14,300 15,500 3,800 4,400	Thermal Catalytic Thermal reforming Catalytic polymerization
McColl-Frontenac Oil Co.	Montreal East	43,000	16,000 13,800 4,500 1,500	Catalytic Thermal Thermal reforming Catalytic polymerization
Shell Oil of Canada	Montreal East	44,000	16,500 8,000	Catalytic Thermal
Ontario				
Canadian Oil Companies	Sarnia	22,000	3,500 4,000 10,000 1,200	Thermal Catalytic reforming Catalytic (fluid) Catalytic polymerization
Trinidad Leaseholds (Canada)	Port Credit	8,000	1,500 4,000	Platforming Thermal
British American Oil Co.	Clarkson	23,000	4,500 11,600	Thermal Catalytic
Imperial Oil Ltd.	Sarnia	78,000	16,000 19,300 8,000	Thermal Catalytic Thermal reforming
Husky Oil & Refining (Riverlake Oils)	Fort William	4,000	....	
Sun Oil Co.	Sarnia	15,000	11,000	Catalytic
Manitoba				
Anglo-Canadian Oils Ltd.	Brandon	3,000	1,375 35	Thermal Catalytic polymerization
Imperial Oil Ltd.	Winnipeg	12,000	4,100	Catalytic
North Star	St. Boniface	5,000	1,100 800	Thermal Reforming
Radio Oil Refineries Ltd.	East Kildonan	500	....	
Saskatchewan				
British American Oil Co.	Moose Jaw	15,000	1,500 4,500	Thermal Catalytic
Consumers' Co-operative Refineries Ltd.	Regina	12,000	3,000 5,000 400	Thermal Catalytic Catalytic polymerization
Imperial Oil Ltd.	Regina	22,500	10,600 8,100 3,100 300	Thermal Catalytic Thermal reforming Catalytic polymerization
Husky Oil & Refining Ltd.:				
Husky Oil & Refining Ltd.	Lloydminster	8,500	500	Catalytic reforming
Moose Jaw Refineries Ltd.	Moose Jaw	2,000	....	
Northern Petroleum Corp.	Kamsack	800	....	
Royalite Oil Co.:				
Hi-Way Refineries Ltd.	Saskatoon	6,500	3,150 2,600 400	Thermal Catalytic Catalytic polymerization
Prince Albert Refineries Ltd.	Prince Albert	1,000	....	
Royalite Products Ltd.	Coleville	5,000	....	
Alberta				
Anglo-American Exploration Ltd.	Hartell	3,000	1,500	Thermal
Bonnyville Oil Refineries Ltd.	Bonnyville	2,500	....	
British American Oil Co.	Calgary	7,200	2,500	Thermal
British American Oil Co.	Edmonton	7,000	2,000 1,400	Catalytic Thermal
Excelsior Refineries Ltd.	Lloydminster	2,500	....	
Imperial Oil Ltd.	Calgary	9,200	4,600 600	Thermal Alkylation
Imperial Oil Ltd.	Edmonton	25,000	9,100 8,200	Thermal Catalytic
McColl-Frontenac Oil Co.	Edmonton	7,000	2,600 2,200 250	Catalytic Delayed coking Catalytic polymerization
Wainwright Producers & Refiners Ltd.	Wainwright	650	....	
British Columbia				
Imperial Oil Ltd.	Ioco	22,500	7,500	Catalytic
Royalite Products Ltd.	Kamloops	5,000	1,450	Catalytic
Shell Oil Co. of Canada	Shellburn	18,000	5,000 4,500	Catalytic Thermal
Standard Oil Co. of B. C.	Burnaby	11,000	3,700 900	Catalytic Catalytic polymerization
Northwest Territories				
Imperial Oil Ltd.	Norman Wells	1,250	....	

Note: Catalytic polymerization, alkylation and delayed coking do not represent cracking but are listed in the column for information purposes.

The Company is engaged in the exploration for and the development of petroleum and natural gas properties in Western Canada as well as the development of uranium properties in the Beaverlodge area of Saskatchewan. The shares of the Company are listed on the Calgary and Edmonton Stock Exchanges. Further information may be obtained from the Head Office of the Company.

DOMINION MINERALS DEVELOPMENT LTD.

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Refinery Capacity Doubles Pre-Leduc

The jump in Canadian oil refinery capacity—it's double pre-Leduc levels and still growing—has been a major feaure of Canada's rapid development as an oil-producing nation.

The new capacity and the modernization of existing plants has resulted in stiff competition for business lately for some petroleum products, notably gasoline.

However, a remarkably steady growth in demand for petroleum products has supported the refinery growth so far and oil company officials look for a continuation in the rising demand trend. At least $100 millions is being spent on refinery projects due to be completed in the next year to 18 months.

Crude oil refining capacity now is 7.3% greater than a year ago, bringing the national total to 561,900 bbls. daily compared with 523,150 bbls. in November, 1953.

Cracking plant capacity has risen even more in this same period to 320,275 bbls. a day, up 14% from the 280,425 bbls. capacity a year ago. The breakdown of the growth in the past five years, by provinces, is shown in an accompanying table.

Much of the big scale expansion of the last couple of years has now been completed.

In **British Columbia,** for instance, Standard Oil Co. of British Columbia has just about completed a $10 million project raising its crude oil capacity to 11,000 bbls. daily (8,350 before), including new catalytic cracking plant capacity. Royalite Products put a new $6 million 5,000 b/d refinery on stream earlier this year at Kamloops. This plant also has a catalytic cracking unit. Shell Oil Co. of Canada has stepped up its crude capacity at the Shellburn refinery by 3,000 b/d, as well as installing a 5,000 b/d catalytic cracking unit and stepping up its thermal cracking capacity by 1,500 b/d.

Alberta's capacity has not changed as much. Only project there completed this year was a step-up in the crude oil capacity of Bonnyville Oil Refineries to 2,500 b/d from 1,000 b/d.

Saskatchewan refineries have increased their capacity to more than 73,000 b/d in 1954, a rise of 13,600 from a year ago. Consumers' Co-operative Refineries Ltd. at Regina added 5,000, Imperial Oil in the same city added the same amount, and Husky Oil at Lloydminster boosted its capacity by 3,100 b/d. All three refineries have installed new catalytic cracking facilities as well as other improvements.

In **Manitoba,** there has been no change in 1954.

Ontario plants upped their capacity by 15,000 b/d. British American Oil this year added 6,000 b/d capacity at Clarkson, Imperial Oil 6,500 at Sarnia, Trinidad Leaseholds (Canada) 500 at Port Credit and Canadian Oil 2,000 at Sarnia. B-A Oil's expansion included also the installation of 11,600 b/d catalytic cracking capacity. Trinidad Leaseholds installed a 1,500 b/d catalytic reforming unit.

Quebec's refinery capacity changed very little, the only one reported being a 2,000 b/d increase in crude oil capacity by Shell Oil Co. of Canada at Montreal East. Shell also increased its catalytic cracking capacity by 1,500 b/d.

Refinery potential in the **Maritimes** is actually slightly below that of a year ago due to a small decrease at the Imperoyal plant of Imperial Oil.

Further expansion is under way in the Maritimes, however, where Imperial is doubling the present capacity of its Imperoyal refinery. Other projects are under way elsewhere too. Here is a table of projects under way or planned, by provinces:

New Refinery Capacity Planned or Under Construction

Province	Bbl. Crude Oil per 24 hrs.
British Columbia	2,000
Alberta	6,350
Manitoba	12,000
Quebec	32,000
Nova Scotia	23,000
Total	75,350

This is down from the 90,400 b/d in additional capacity planned or under way a year ago. However, it does not include important projects designed to raise the quality of products and efficiency of existing plants.

Among the new refining projects or additions to refinery capacity are:

Imperial Oil, as mentioned above, is stepping up capacity at its Halifax Imperoya. plant. Daily capacity on completion will be 41,625 b/d, making it one of Canada's major refineries. Cost is estimated at $25 millions. Schedule calls for completion in April, 1956. Contract was awarded in November, and construction was to start immediately.

Imperial is also boosting its capacity at Montreal East by 25%, the additional facilities due to be ready in February. This project includes a quality improvement program as well. Cost is estimated at $10 millions.

By the end of next year, company also expects to have completed a new lubricating oil plant, costing $14 millions. It will be the second largest in Canada, second only to Imperial's Sarnia plant. Capacity will be about 750,000 bbls. of high quality automotive and industrial oils a year.

Near Vancouver, Imperial's Ioco refinery will get some new installations costing $2.9 millions, consisting chiefly of a catalytic polymerization unit and a naphtha fractionator. The new equipment will enable production of higher quality gasolines. Completion is scheduled for next September.

Company's manufacturing department is nearing the end of a $6 million construction program for related facilities at the Sarnia refinery.

2. British American Oil Co. is building a catalytic reforming unit at its Calgary plant, to be ready next year. It also plans to build a similar unit at Montreal East next year. Further plans for 1955 are being developed—the total capital outlay expected to be about the same as this year, roughly $10 millions.

3. McColl-Frontenac Oil Co. has under construction at Montreal East a 12,000 b/d platforming unit which is expected to be ready by June next year. Crude oil capacity of its Edmonton refinery is being increased to 11,000 b/d from present 7,000, and a 3,000 b/d thermal cracking unit is also being installed there. This expansion is expected to be completed by June also.

4. Shell Oil Co. of Canada has further major expansion under consideration, it's understood, but details have not yet been announced. However, capital expenditures on refinery improvements are expected to exceed those in 1954.

5. Trinidad Leaseholds (Canada) Ltd. expects to spend about $1 million next year to increase distillation capacity of its Port Credit, Ont. refinery. It spent just over $1 million this year.

6. North Star Oil Ltd. has under construction a 12,000 b/d refinery at St. Boniface, Man., including facilities for crude fractionating, fluid catalytic cracking, polymerization, gas concentration, propane, fuel oils and jet fuel. This completely new refinery is being erected on a 173-acre site and is due to be ready by July 1.

7. Canadian Petrofina Ltd., a wholly owned subsidiary of the Belgian firm, Compagnie Financiere Belge des Petroles, was incorporated only last year, but already it has 320 retail outlets in Quebec and Eastern and Central Ontario. By the end of the year, the total is expected to be 375, and about 750 by the end of 1955.

Company is building a 20,000 b/d refinery at Montreal which is scheduled to come on stream next summer. It expects to have it operating at capacity at least by 1957, at which time it plans to have expanded the number of its retail outlets to 1,200. The refinery, which will have a catalytic cracking capacity of 10,000 b/d, is expected to cost $20 millions.

8. Anglo-Canadian Oils Ltd. has started construction of a 1,000 b/d platforming unit (platinum catalyst reforming unit), expected to be ready in May.

9. Wainwright Producers & Refiners Ltd. has about half completed a 3,000 b/d expansion project. It will be a combination topping, vis-breaking and vacuum distillation unit. Cost is estimated at $700,000.

10. Excelsior Refineries Ltd. has broken ground on a $1½ million thermal cracking unit at Dawson Creek, B.C. Capacity will be 2,000 b/d. It is expected to be in operation by July, 1955.

Contracts for the fabrication and construction of the refinery equipment will be awarded before the end of the year.

At its Lloydminster, Alta. refinery, company expects to spend a minimum of $150,000 for capital improvements next year, an increase over this year.

11. Anglo American Exploration Ltd. expects to spend $85,000 in modernizing its topping plant at Hartell, Alta. in the coming year.

12. Husky Oil & Refining Ltd., which recently acquired Moose Jaw Refineries Ltd. and Riverlake Oils Ltd. (Fort William), plans to spend $2 millions on the two refineries. At Moose Jaw, it's adding to storage capacity, a platforming unit, a diesel desulphurization unit and an asphalt vacuum unit, plus other modern equipment.

The Fort William refinery is now actually processing only 1,700 b/d of crude, but company plans to raise this to its 4,000 b/d capacity by adding to storage capacity, modifying existing facilities, installing a platforming unit, a vacuum tower and other facilities for making asphalt products.

13. Prince Albert Refineries Ltd., now wholly owned by Royalite Oil Co., has no plans for expansion or modernization of a major nature, but expects to spend $30,000-$50,000 in the coming year on replacements and additional instrumentation.

14. Royalite Oil Co. has acquired all the outstanding share capital of Hi-Way Refineries Ltd. and of Alberta Hi-Way Refineries Ltd. (a marketing firm). Hi-Way has a 6,500 b/d refinery at Saskatoon and owns 80% of the outstanding stock of Saskatoon Pipeline Co., a 56-mile line linking the Saskatoon refinery with Interprovincial Pipe Line's line.

Standard Oil Co. of British Columbia, New Brunswick Oilfields Ltd., Northern Petroleum Corp., and **Consumers' Co-operative Refineries Ltd.** reported no major capital expenditures planned for 1955.

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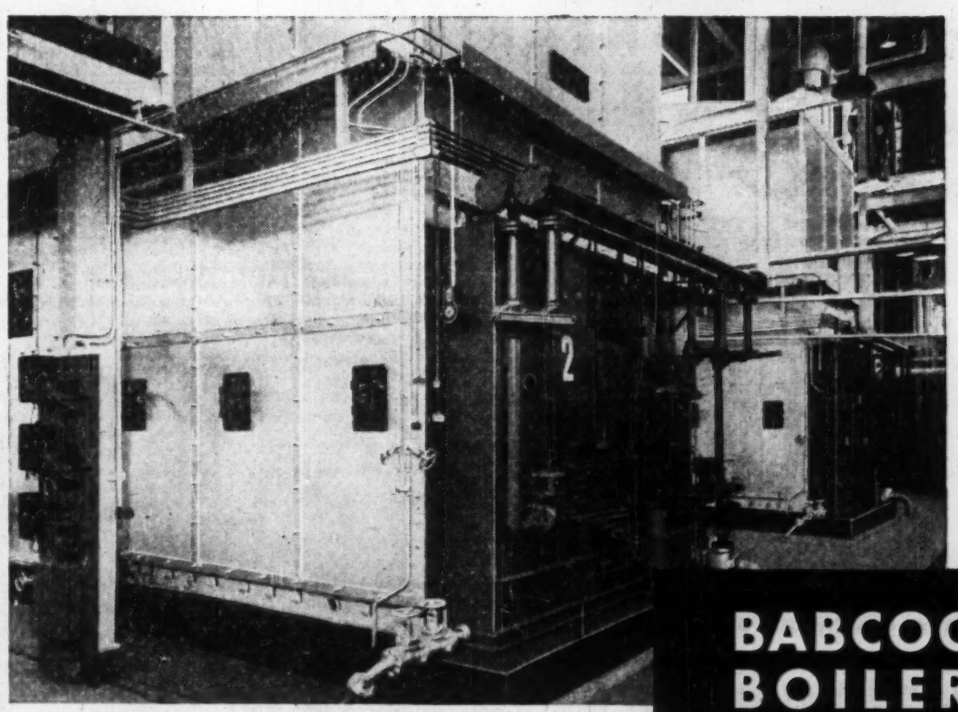

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Is There Oil Under Your Backyard?

How Science Can Help Tell Without Expensive 'Digging'

If you hope you have oil under your backyard or under your farm, you might drill an exploratory well. But you may find the bill a bit steep.

Oil men long ago found that drilling for oil or gas is not something to be done on a random basis, though actually some wells were found that way in the early days of the oil industry in Pennsylvania.

The modern idea is to try to find underground rock formations that are favorable to the presence of oil. The shareholder is still gambling on the findings of the bit, but the percentage of payoffs is much more gratifying.

Oil and gas are found in underground "traps." These consist of porous rock overlain and surrounded on the sides by nonporous rocks. If oil is present, with water beneath it, it will rise to the top of the water. If a rock formation as described exists, oil rises into a place where it will be held indefinitely.

There are different kinds of traps, but the most common or the most easy to find is the anticline.

An anticline is an archlike formation, of nonporous rocks and porous rocks. It is a sort of underground "hill."

Ordinarily, it will not show on the surface at all. So the oil man goes "hill hunting."

How It's Done

He has some methods of finding the anticline when it is near the surface by core drilling. Light rigs on the backs of trucks take samples of rock, which give him the angles at which rocks overlying the potential oil bearing sediments lie. This gives him an idea of where an anticline may be.

However, in Western Canada, the typical situation is a couple of thousand feet or more of nonoil bearing sediments over the pay zone, if any.

So more elaborate methods are necessary.

The most widely used method in general as well as in Western Canada is the seismic or seismograph survey.

A seismic survey crew set off explosions of dynamite which shoot vibrations through the rock strata beneath. These vibrations, which are essentially similar to those created on a larger scale by an earthquake, travel at different speeds in different kinds of rock.

Limestone will reflect the seismic waves, and many oil bearing strata are one form or another of limestone. Also, the limestone, at some depth, may give an idea of the way other strata beneath it lie. By a methodical approach, the seismic crew can work out the location and general outline of an anticline.

They must, however, have limestone, or other rocks that reflect well, to work with. And sometimes the nature of the strata are such that even then the results are not clear.

There is a variation of this method that also utilizes refraction of seismic waves.

Another instrument used to hunt for anticlines is the magnetometer. It measures the intensity of magnetic attraction from rocks beneath the surface. The more iron in chemical combination which rocks contain, the more magnetic they are.

If an anticline has upheaved an arch of nonporous rocks containing iron above itself, the magnetometer will show an increase and falsely indicate magnetic attraction over the anticline.

Some Hitches

Other things can cause an apparent anticline though: intrusions of rock with a high magnetic attraction, or even "magnetic storms."

A recent report of geophysical surveys in progress in Western Canada listed no magnetometer crews.

Gravity surveys are used to some extent in Western Canada. The central instruments of this system are known as gravity meters or gravimeters.

The greater the density of rocks underneath the surface, the greater their gravitational pull on objects above them. The gravity meter measures this, and attempts to detect upfolded heavier rocks, igneous or metamorphic, for instance, that may overlie an anticline of possible oil-bearing sediments.

Radioactivity Helps

Radioactivity is something the layman associates with the atomic bomb and uranium. However, it has a place now in oil exploration too.

A Toronto firm states that it has conducted scintillation counter surveys for oil on more than 250,000 sq. mi. throughout the world, with an unstated number of successes.

An oil field registers a "radioactive low" while the fringes show higher radioactivity. That is the general idea, though there is much more to it, of a highly technical nature.

One advantage of this method is that it can be done from an airplane, which will cover a large area at once. The Toronto firm states that it owns an oil well in a West Texas field which it discovered at 9,000 ft. depth by this method. It recently completed a survey for a client in Western Canada.

It also has electrical methods of prospecting for oil.

The interpretation of the data is the big thing with a scintillation survey for oil. The firm does this itself, while data from conventional geophysical surveys is usually interpreted by the client. For this reason, the scintillometer firm keeps its clients names confidential.

The same firm has electrical methods of prospecting for oil. In one, equipment in an airplane transmits an electromagnetic field into space directed toward the ground. The earth below varies in its conductivity of these transmissions. It is possible to detect underground structures by interpreting an "image" obtained in the equipment from this varying conductivity.

128 Geophysical Crews At Work

Oil and gas companies in Western Canada were recently spending almost $3.8 millions a month on geophysical surveys. They were using 128 crews.

Of these, 119 were doing seismic surveys and nine were doing gravity surveys.

This level of activity is somewhat less than a year earlier, when 158 crews were operating, and 1952, when there were 185.

About three quarters of the geophysical exploration is in Alberta currently, with 93 crews. Saskatchewan has 29, British Columbia, four; Manitoba, two.

Six companies, Texaco Exploration Co., Imperial Oil, Canadian Gulf, Socony-Vacuum Oil of Canada, Shell Oil, California Standard Co., are using 81 of the 128 crews.

Here is a breakdown of activities by companies. In most, but not all cases, the actual work is done under contract by a firm specializing ir geophysical exploration:

Company	No. of Crews Working
Texaco Exploration	17
Imperial Oil	16
Canadian Gulf	15
Socony-Vacuum	14
Shell Oil	12
California Standard	7
Hudson's Bay Oil & Gas	4
Oilwell Operators	4
Seaboard Oil	4
Stanolind Oil & Gas	4
Amerada Petroleum	3
Tide Water	3
Northern Foothills	2
Sohio Petroleum	2
Southern Production	3
Sun Oil	2
Union Oil of Calif.	2
British American	1
Canada Cities Service	1
Compagnie Francaise des	1
Ohio Oil	1
Pacific Petroleums	1
Richfield Oil	1
Sinclair Canada Oil	1
Triad Oil Co.	1
Unnamed clients	6

OIL developments

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Pembina—Already 'Billion-Bbl. Field' —Limits Undefined

Of all the many oil strikes made in Canada since Leduc in 1947, Pembina, discovered June 20, 1953, is undoubtedly the greatest. Recently it was only producing 3,251 bbls. of oil daily. But eventually the field appears capable of producing about 160,000 bbls. of oil a day—or more than current production of Redwater and Leduc-Woodbend fields combined.

Located 75 miles southwest and west of Edmonton, the Pembina discovery well—Socony Seaboard Pembina No. 1—was completed by the team of Socony-Vacuum Exploration Co., Seaboard Oil Co., Honolulu Oil Corp., Merrill Petroleums and Canadian Collieries on a 98,880-acre reservation from the Alberta Government. The initial three U. S. companies held the biggest share of the interest in the well and acreage, but the 10% interest of Merrill Petroleums and 6 2/3% interest of Canadian Collieries (through a wholly owned subsidiary) were sufficient to cause dramatic market upturns in both these issues.

The well was located on L.S.D. 4-16-48-8w5 and was carried to 9,425 ft. but plugged back to 6,500 ft. and set production casing at 5,422 ft. The first well had a production potential of 456 bbls. a day of good-grade 37 deg. gravity crude.

The discovery was important in many respects. Production horizon was the Cardium sand—not a productive oil zone previously in Alberta. Because oil came from a sand rather than a limestone, much more oil could be expected per foot of "pay." Thickness of pay is more than 50 ft. in most close-in wells. Practically a new area of Alberta had been opened for oil development.

Major Revelations

A major revelation of oil riches has taken place since initial discovery.

Estimated reserves of oil in place is three billion barrels of which a billion barrels is expected to be recoverable by primary production methods. An area of 500 sq. miles is estimated to be proven and semiproven, with 4,000 potential well sites on basis of Pembina well spacing of 80 acres.

The fact that Pembina had only 36 productive wells completed by Nov. 1 is no reflection on the importance attributed to this great new area. Poor road conditions and almost continuous rains this summer meant a major cut-back on previously planned well programs. It simply wasn't possible to drill wells scheduled. But with frost-hardened ground, this winter is expected to see much more rapid development. A new pipeline is expected to be in operation shortly which will permit ultimate transport of 150,000 bbls. of oil daily from the field.

As exploration of the area has proceeded, no less than three other formations than the Cardium have been productive of oil:

Socony-Seaboard Violet Grove 30-2 well, L.S.D. 2-30-48-7w5, found 35 deg. gravity crude in the Basal Quartz member of Basal Blairmore with top at 6,522 ft., on Jan. 14, 1954.

Stanolind East Cynthia Crown A-1 (Stanolind Oil & Gas, Central Leduc and Del Rio Producers) the following March reported 35 deg. gravity oil found in 25 ft. of pay secured in the Mississippian limestone formation starting at 6,587 ft. Initial potential was 115 bbls. per day.

The fourth discovery, 30 ft. of net pay in the Viking sand, starting at 5,881 ft., was made in December, 1953, with initial potential of 845 bbls. per day reported of 37.6 deg. gravity oil. Discovery well was Canadian Delhi-Great Plains-et al Minnehik 11-33 and it was drilled on L. S. D. 11-33-46-6w5. Among those interested in the well were Great Plains Development Co., Canadian Delhi Oil, Signal Oil & Gas Co., Bailey Selburn Oil & Gas, Crows Nest Pass Coal, Devon-Leduc Oils, Sunshine Mining, St. Lawrence Syndicate, Seaboard Oil Corp., Honolulu Oil Corp., Merrill Petroleums and Canadian Collieries through Cancoll Oil & Gas, its subsidiary.

Billion-Barrel Field

Despite its 18-month age, no one knows the exact limits of the productive area of Pembina. It is known that this area will not be as great as at one time thought possible. But the field still rates as Canada's largest discovery and that great rarity in North American oil—a billion-barrel field.

That Cardium oil at Pembina is not an isolated phenomenon of Western Canada appears indicated by a further discovery at Rocky Mountain House, 85 miles southwest of Edmonton and about 15 miles due south of the Pembina field. This strike—L.S.D. 10-27-42-8w5—was made in Superior-et al Rocky Mountain House 10-27 with interest shared by New Superior Oils of Canada, General Petroleums of Canada, and Altex Oils. A 15-ft. pay section was opened in the Cardium sand below 6,185 ft. Initial potential was 120 bbls. per day and oil is of 39.5 deg. API gravity.

Pembina is obviously going to be an exteremely rich resource for the future—in many ways.

Estimated value of a billion barrels of oil recoverable by primary production methods will be around $2.5 billions at today's posted field prices. But some engineers think that over 50% additional crude may be won by secondary recovery methods and some Pembina companies are already allowing for secondary recovery in their estimates of oil reserves.

If 50% is a good guess of the extra production to be secured, value of Pembina oil climbs close to the $4 billion barrel mark. Processing of a considerable part of this crude oil in Canada can be expected to add further billions of value.

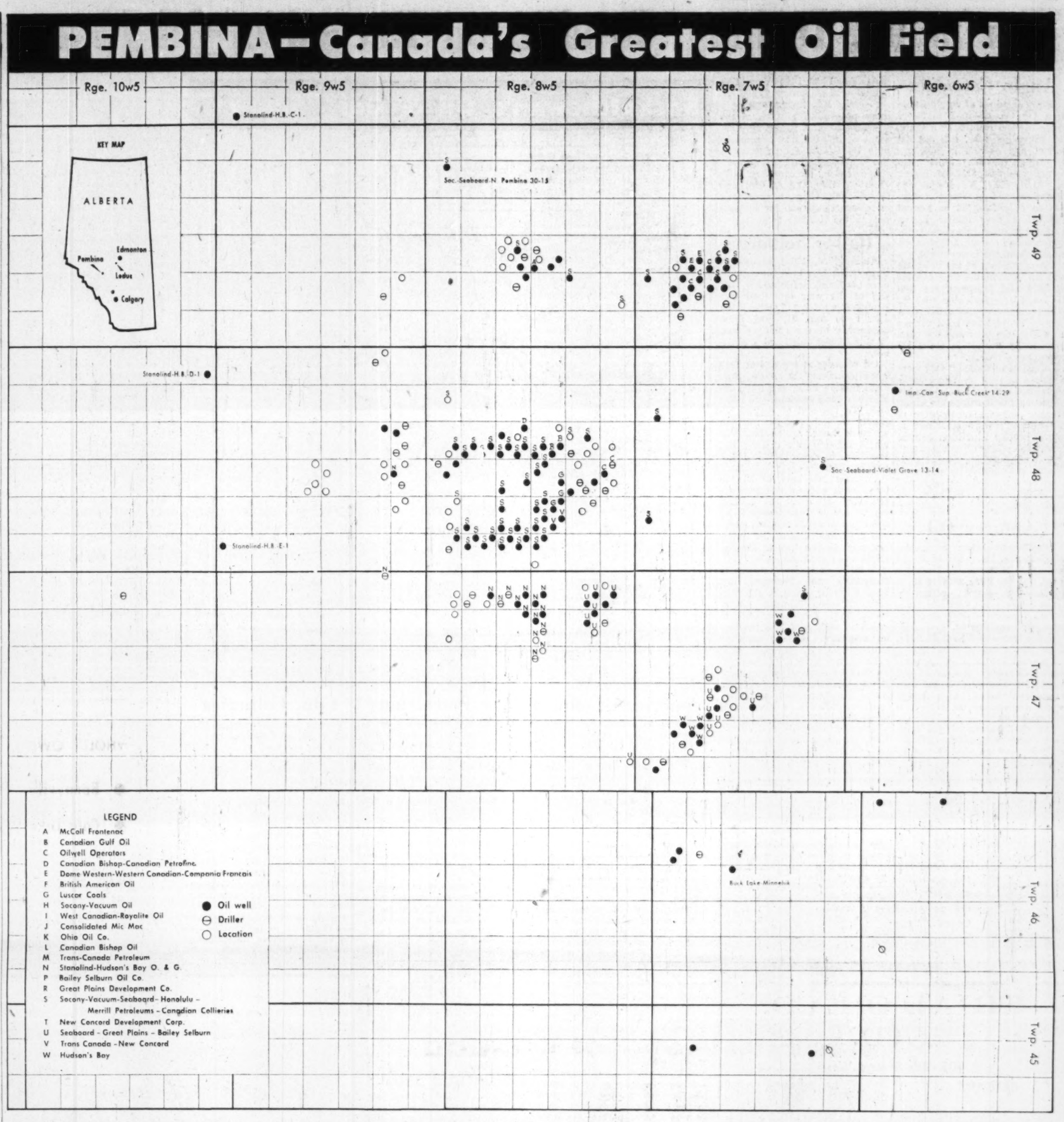
Boost for Drilling

For the oil-well drilling industry, Pembina came at the right time. Pembina will take up the slack resulting from completion of development drilling in such areas as Redwater and Leduc-Woodbend. The 4,000 wells expected to be drilled in Pembina represent almost twice as many wells as drilled to date in Leduc-Wodbend and Redwater fields combined. And as average drilling depth is somewhat greater, it seems normal to expect that the expenditure per well will also be greater. The impact of Pembina has meant substantial expenditures for exploratory drilling in the region.

As the markets for Alberta crude expand and extend, both reasonable expectations, Pembina will again contribute in no small way to prosperity of not only the Pembina Pipeline Co. but Interprovincial Pipe Line and Trans Mountain Oil Pipe Line which are the logical vehicles for transferring the field's oil to more distant markets.

While Pembina only had 39 wells on production at Nov. 1, there were 79 further wells for which locations had been selected or were in various stages of completion. Pembina will probably not spring into great prominence as a producer right over night for a variety of reasons, one of which is the present limited market for crude oil. But from a long-term standpoint, the field is an "ace in the hole" which assures the future prosperity of the Western Canada oil industry for many years to come. It is literally, the industry's "money in the bank" for a rainy day.

The huge crude reserves of Pembina provide the assurance that Canada can produce sufficient crude to meet her entire own requirements, should this be desired or necessary.



Here's Record of Oil Firm Progress

Scurry-Rainbow

A holding company formed in February, 1954, to acquire the capital stocks of Scurry Oils and Rainbow Oil, Scurry-Rainbow Oil had an equity in oil reserves of 3,150,000 bbls. developed and 130,000 bbls. undeveloped early this year.

Through the two companies, Scurry Oils and Rainbow Oil, royalty interests are held in 55 oil wells and a gas well in Alberta and in undeveloped acreage in both Alberta and Saskatchewan.

The two subsidiary companies hold 320 acres in the Pembina area of Alberta on which the first productive well was completed in the latter part of 1954. In the Fonnie Glen field, the two companies have interests in two producing oil wells, and a third well was drilling recently. A third interest has also been held in productive drilling in the Badger Lake area through Scurry while that company has also farmed out a large acreage in the Grande Prairie area with a group which is committed to undertake a drilling program.

Working capital of Scurry-Rainbow on a combined pro forma basis amounted to $1,663,999 at Sept. 30, 1953.

Grt. Sweet Grass

Great Sweet Grass Oils succeeded Sweet Grass Oils in March of this year through an exchange of capital stock on a one-new-for-five-old-share basis.

On 60,000 acres of gas license in the Steveville area of Southeastern Alberta, farmed out by the company and another, Canadian Export Gas Ltd. is supplying full costs of a 27-well program in return for a half interest in production. More than 10 wells have been completed as Viking sand or Basal Colorado gas producers, while only one venture was dry.

Farther north in the Kessler area the company has 20% interest in another drilling project involving about 58,000 acres. Ten gas wells and three oil wells have so far been completed in the Viking sand, and development is being continued.

In Southwestern Manitoba the company has 12½% in eight shallow wells planned on 800,000 acres in the Duck Mountain Forest Reserve. Two owned wells drilled at Altamont and Pilot Mound were dry holes. Two wells are planned to be drilled on 37,000 acres of reservations in Saskatchewan.

Company also has a share in four oil wells in the Namao field, Alberta, and has about 200,000 undeveloped acres scattered in a number of areas of Alberta, British Columbia, Southwestern Ontario, Texas and Montana.

Souris Valley

Souris Valley Oil Co. has farmed out 30,000 acres of its 100,000-acre holdings in southwestern Manitoba to the McCarty-Coleman group, which paid the company a substantial cash consideration and agreed to drill six wells. Company reserved a gross royalty on the lands and also has more than 10,000 acres scattered throughout the farmout. The wells are all tests of the Mississippian formation; five have been unsuccessful and the sixth has location set.

At Scarth, Man., the company and two others have struck light oil in indicated commercial quantities at their initial driller on a 320-acre tract obtained under farmout agreement. Souris Valley has 20% stake in the deal. The group also holds another half section in the neighborhood.

Part of a section of land in the East Cromer area has been farmed out by the company to a group which is drilling two wells and has location set for three more. Under the agreement the group would provide development costs for a 50% share of production.

Elsewhere in Manitoba and in Alberta, Souris Valley owns or has an interest in 19 oil producers and a gas well, now capped. Company's production revenue was reported last August to be about $10,000 a month. Working capital was about $550,000 including inventories of $65,000. Authorized capital is 5 million shares, and there are 4,037,938 shares outstanding.

Trans-Empire

An improved performance was recorded by Trans-Empire Oils in the first part of 1954. Net profit, before depreciation and depletion amounted to $235,812 for the seven months ended July 31, 1954, as compared with $145,574 for the corresponding 1953 period.

There was an excess of current liabilities over current assets of $578,789 at the beginning of 1954 but two developments have assisted in advancing the company's plans. In Sept., 1954, arrangements were completed for sale of 300,000 shares of $1.60 a share and the company also arranged for sale of Moose Jaw Refineries to Husky.

The company's shares of crude oil reserves were estimated at 8,555,533 bbls. and gas reserves at 30 billion cu. ft. on Dec. 31, 1953.

There were interests in 79 oil producing wells for a net ownership of 56.5 wells and seven gas wells for a net ownership of 3.24 wells.

Trans-Empire is considerably interested in the expanding gas picture in Western Canada holding 54,000 acres in the general Princess area and other gas lands at Cessford.

The company has approximately $1,827,000 of series A and series B notes outstanding.

United Oils

With a 25% interest in three large capped gas wells in the Nevis area of Alberta, United Oils is one of the companies expected to benefit from completion of the Trans-Canada Pipeline to eastern Canada. Altogether, the company has a 25% working interest in 6,655 acres in the Nevis area, including 640 acres acquired in Jan., 1954.

United holds 941,771 shares of Federated Petroleums and 174,811 shares of Home Oil Co., of which 701,378 shares of Federated and 86,666 shares of Home were purchased early in 1954 for $2,250,000 and 2,200,000 shares.

An extensive interest is held in the Williston Basin with this acreage including 200,000 acres purchased in 1952 from the Alberta Williston Syndicate for 500,000 United Oils shares and an unstated acreage acquired in 1953 through purchase of all issued shares of Madison Oils Inc. for 100,000 United Oil shares.

Gross revenue in 1953 amounted to $44,448 with a net loss of $2,980 after allowing for a $105,563 profit on investments. The company has no funded debt, but at June 15, 1954, had $2,890,000 secured demand loans payable to Canadian Bank of Commerce.

Nuco

Nuco Petroleums recently acquired all the assets of New Devon Petroleums Ltd., including nine heavy-grade oil wells in the Marshall field, Sask., and interests in 27 light oil producers at Leduc and Erskine, Alta. Purchase was effected through an exchange of stock on the basis of one Nuco share for eight of New Devon, involving the issuance of 537,500 Nuco shares.

A 50-well program is being carried out by the company in the Blackfoot sector of the Lloydminster field; five oil wells have been completed in the General Pete sand and one is a Sparky sand producer. Recoverable reserve of the wells is estimated at 1.1 million barrels. Nuco will have 100% interest in production until it recovers development costs, then 60%. Costs of the program are estimated at about $1.3 million, which was provided through a debenture security with private Canadian and U. S. investors. The debentures bear interest at 6% per annum and are repayable over a three-year period.

A 20-well program by the company in the Marshall field is nearing completion, and the wells are producing their allowable of 34 bbls. daily from the Sparky sand. Nuco's stake is 40%. The General Pete sand is also to be tested here. In the Epping field nearby the company brought in a well in the General Pete sand, but found the Sparky well developed also.

There are only 1,414,500 shares of the company issued, out of an authorized amount of 5 million.

New Concord

An oil and natural gas producing company with varying interests in 46 oil wells and four gas wells, New Concord Development Corp. may eventually merge with Jasper Oils Corp. and Consolidated Cordasun Oils, according to a recent management statement. Operating management of the three companies has already been merged in the interests of economy and efficiency.

Oil reserves of New Concord were estimated at the beginning of 1954 at 3,615,805 bbls., while natural gas reserves were placed at 10 billion cu. ft. Oil production in 1953 had amounted to 150,835 bbls.

A feature of 1954 operations has been the drilling of a number of successful wells in the Pembina area.

Balance sheet as at Dec. 31, 1953, shows $554,820 working capital while there were $1,477,000 5½% convertible debentures outstanding.

Pan Western

Pan Western Oils has obtained permits to drill for oil and gas on 66,300 acres under Lake St. Clair and 70,200 acres under Lake Huron, in southwestern Ontario.

In Alberta the company has a stake in 13 light gravity oil wells and seven gas wells plus undeveloped acreage holdings in that province and in Saskatchewan. The gas wells are all capped pending availability of a market; one is in central Alberta and the others are in the Gordondale area of the Peace River district.

By agreement Sept. 1, 1953, company retained Catawba Corp. to advise, serve and offer an opportunity to acquire a 20% share in any freehold leases or interests acquired in Canada by Catawba. In return that company would be reimbursed, granted a royalty on all Pan Western's gas and oil produced and given an option on one million shares at 50 cents a share exercisable within 18 months.

Pan Western lately received about $110,000 from underwriting and options, and 500,000 shares remain under option agreements at 35c to 45c a share. Authorized capital is 8 million shares, of which 3,799,030 shares are issued.

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Financing, Drilling, Production Record of Oil Firms

Anglo Canadian

While earnings of Anglo-Canadian Oil Co. dropped to 26c a share in 1953 from 40.8c a share, the preceding year, this did not reflect any decline in ordinary operating revenue which was actually almost $130,000 higher at $1,518,510. A decline in profits realized on sales of securities to only $246,144 as against $525,401 a year earlier and a $250,000 increase in write-offs for depreciation and amortization were behind the lower profit.

Oil production of the company was up 40% in the first quarter of 1954 and prospects are that 1954 will be a favorable year for the company. Substantial productive drilling has been carried on during the year and the company holds interest in about 170 producing oil wells.

Oil assets of Calmont Oils were acquired in 1953 through a share exchange and this considerably improved the company's over-all acreage spread. Oil reserves of the company were estimated at approximately 12 million bbls. in Nov., 1953.

A strong working capital position is maintained by the company with net working capital of $4,239,285 at the beginning of 1954.

Amurex Oil

Like many other companies which have been successful in finding oil, Amurex Oil Development Co. has been making large expenditures — and sustaining some losses — in carrying on a varied program of both development and exploration.

In the year ended Sept. 30, 1953, there was a loss of $704,983.

Interests are held in approximately 25 producing oil wells and 11 gas wells in Alberta and Saskatchewan areas with entire acreage spread approaching two million acres.

Net oil reserves of the company were estimated, Oct. 31, 1953, at between 633,000 and 1,586,000 bbls.

At April 30, 1954, working capital was shown at $2,806,769.

Amurex has approximately a score of producing wells in the Cessford area. A recent development of interest was completion of a D3 Devonian oil success in the Rimbey field on a quarter section owned by the company. With Hudson's Bay Oil & Gas and Richfield Oil Corp., the company is following up another oil success in the Hespero area.

Bailey Selburn

At Aug. 31, 1954, Bailey-Selburn Oil & Gas held interests in nine producing wells and by the end of the year this total was expected to reach 115 wells. From Jan. 1, to Aug. 31, 1954, gross production of the company and its subsidiaries amounted to $935,000.

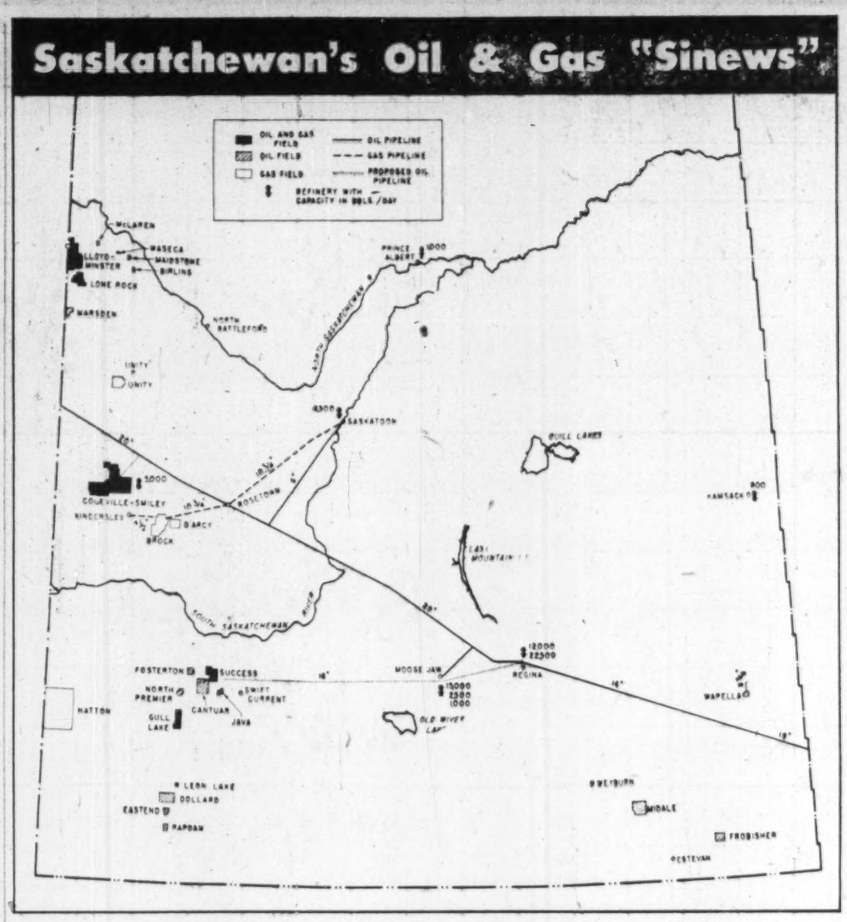
Oil reserves at the end of 1953 were estimated at more than eight million bbls., excluding reserves in the Pembina-Buck Lake area. To the end of August, 10 productive wells had been drilled at Buck Lake. Other fields in which development drilling has been done this year include Joffre and Stettler.

Interests are held in 33 gas wells with proven gas reserves estimated at over 100 million m.c.f. Active development of these gas reserves was not planned until financing of the major gas transmission line to Eastern Canada is completed.

A series of farmouts to major companies was arranged this year whereby Shell, Gulf, Sinclair, Texaco, Trinidad Leaseholds, etc., are committed to spend in excess of $3.5 millions on company lands to earn an average 52½% interest. Nine deep wildcat wells are to be drilled at no expense to the company. South Grande Prairie, High River, Pincher Creek and Macleod are included in the 950,000 acres involved in the farmouts.

Working capital at July 31, 1954, exclusive of partly owned subsidiaries, amounted to $2,443,048.

Saskatchewan's Oil & Gas "Sinews"



American Leduc

American Leduc Petroleums reports it has approximately $500,000 cash in the treasury following a recent increase in capital from 5 million to 6 million shares, and subsequent sale of stock. A total of 800,000 shares is under option at prices ranging from $1 to $1.75 a share.

Company has interests in 20 oil producers in Alberta and Wyoming, and has primary reserves estimated at 650,000 bbls. light oil and 40,000 bbls. heavy gravity crude oil. Offsetting acreage held by the company but not yet developed is estimated to hold a further 250,000 bbls. of heavy oil.

A subsidiary company has completed three oil wells in the Mush Creek field of Wyoming, and is continuing development of its 480-acre holding.

American Leduc has recently broadened its operations with the acquisition of a uranium property on the Colorado Plateau and is forming a subsidiary to operate the prospect. Company also holds 103 mining claims in the Athabaska district of northern Saskatchewan.

In Cuba another subsidiary will explore 5 million acres of prospective oil lands, and has applied to the Cuban Government for a loan to finance part of the drilling costs.

Ajax Petroleums

Ajax Petroleums Ltd. supplies natural gas under a 20-year agreement to the Edmonton plant of Canadian Chemical Co. Contract calls for delivery of up to 50 million cu. ft. of gas per day. Gas is also sold to Morinville Utilities Ltd., distributors to the town of Morinville.

Sales of gas are expected to reach between 25 million and 30 million cu. ft. daily this year. Gross sales for the year are expected to be approximately 10 billion cu. ft.

Company owns 19 gas wells in the Morinville and nearby Atim areas, and also purchases gas for its requirements from other operators in the area. The gas is transported through a gathering and distributing pipeline system owned and operated by a wholly owned subsidiary.

Total proven reserves of gas have been estimated at 214.3 billion cu. ft. Capitalization comprises $1.5 million 5% sinking fund debentures, due 1962, and 5 million shares of which 4 million are issued.

Alberta Pacific

Alberta Pacific Consolidated Oils, an old-time independent oil organization, operates as a holding, development and exploration company. It has a share in two oil producers at Joseph Lake and in one at Rimbey, Alta., and in two in the Whitewater and Ebor areas, Man. Also has a one-third interest in the McConset Syndicate, which owns five oil producers in the Leduc field.

Varying interests are held in undeveloped acreage in a number of districts in Alberta, and the company has invested in shares of other oil and gas companies.

Total revenue for 1953 was $91,570. After all expenses, depreciation and depletion, net profit was $50,477 compared with $26,535 in 1952. Working capital of $472,647 at Dec. 31, 1953, included $242,510 in cash and investments of $240,180.

Antone Pete.

Control of Antone Petroleums has been acquired by a New York group headed by L. M. Birrell. The group also controls American Leduc Petroleums, but states that it has no immediate plans for merging the two companies.

Antone is participating in exploring 20,000 acres of reservations in the Kessler area of eastern Alberta, which it farmed out to several other companies. Five gas wells have been completed and are capped awaiting a market.

At South Pouce Coupe in the general Peace River district of the province the company has interests in four gas wells, also capped, of the Pacific Petroleums group. Antone's share of reserves here is estimated to be 14 billion cu. ft. Interests are also held in three oil producers at Namao, Alta., one at Ant Hills, Wyoming and 11 in the Spraberry field, Texas. Its share of production amounted to 16,054 bbls. in 1953 compared with only 2,215 bbls. in 1952.

Leases are held on 10,250 acres and a stake is held in 60,000 acres of reservation lands in Alberta, North Dakota, Wyoming and Texas. Company's oil reserves are 583,000 bbls.

Authorized capital is five million shares of which 3,146,399 shares have been issued. In the past few months company has received $70,000 from sale of treasury stock, and options have been granted on 800,000 shares at prices ranging from 25c to 40c a share.

Cdn. Collieries

Though its coal mining business in British Columbia and Alberta has not been so prosperous in recent years, Canadian Collieries (Dunsmuir) nevertheless may have its period of greatest prosperity ahead of it due to the company's substantial stake in the Pembina area of Alberta, where the company anticipates eventual production of over 20 million bbls. of oil.

Development of the large acreage held by Canadian Collieries (through Cancoll Oil & Gas) and associates requires substantial sums of money and some additional financing has been done by the company to provide needed funds. In October, the company sold 100,000 treasury shares to net $8.80 a share which brought issued capital to 1,253,333.

The company has secured shareholder approval for subdivision of present shares on a two-for-one basis but no decision to proceed with this stock split has been made as yet.

On sales of $4.2 millions in the year ended March 31, 1954, the company realized a net profit of $108,246 or 10c a share. Working capital at March 31, 1954, amounted to $1.5 millions with share sales providing an additional $1 million at the close of the fiscal year.

Continued participation in oil exploration is a feature of present activities.

Cdn. Williston

Canadian Williston Minerals holds an undivided half interest in lessor's or landholder's royalty, which averages 12½%, in approximately 8,000 tracts totaling 1,432,000 acres in freehold mineral interests in southern Saskatchewan and southwestern Manitoba.

Each parcel entitles the company to a one-half share in perpetuity in such royalty in the minerals, apart from coal, in partnership with the registered owner of the minerals, and an option, on termination of the existing lease, to acquire a petroleum and natural gas lease for 99 years.

Company has an authorized capital of 6 million shares of 6c par value; 3,965,000 shares are outstanding.

Central Explorers

With a relatively small issued capital of 1,250,000 shares, Central Explorers holds directly and through a wholly owned subsidiary 31 producing oil wells in Alberta and 10 producing oil wells in Texas. Besides being interested in oil exploration in Alberta, Saskatchewan, British Columbia and Texas, Central Explorers has a stake in 784,000 acres in Israel where drilling is being undertaken for oil.

After writing off over $380,000 in 1953, the company reported a $323 loss for the year. However, an initial dividend was paid Aug. 27, 1954, comprising one share of Israel Continental Oil Co. for each 10 shares of Central Explorer held. A payment of half a cent a share cash was also made so that the Canadian withholding tax of 15% could be deducted in the case of non-resident shareholders. During 1953 the company farmed out its 50% interest in 186,000 acres in the Peace River area to Shell Oil Co. with drilling anticipated late this year.

The Company is engaged in the exploration for and development of petroleum and natural gas properties in Western Canada.

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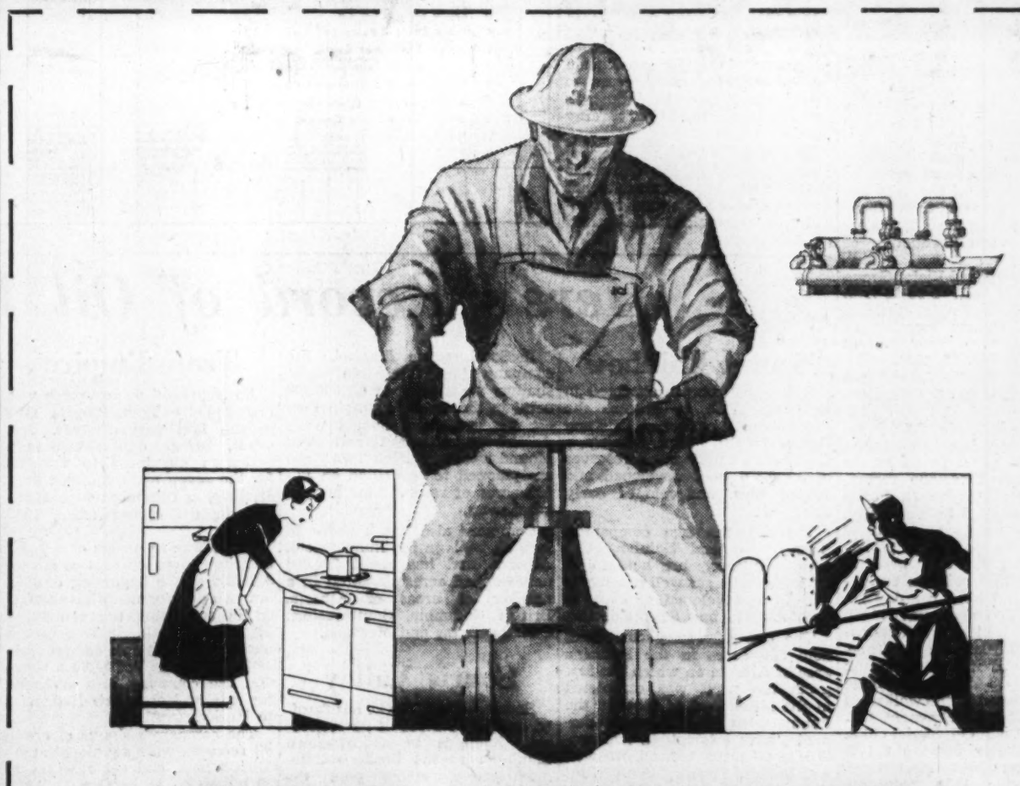

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Canada Southern

Canada Southern Petroleum Ltd. is the exploration member of the trio of companies which resulted from the split-up of Canada Southern Oils Ltd. It holds about 4.3 million gross acres or a net interest in 2.6 million acres, in large tracts, mostly unexplored, in Northeastern British Columbia, Alberta, Saskatchewan, Manitoba, and the Rocky Mountain areas of Wyoming, Colorado and Montana.

Production revenue is obtained from its interests in 28 heavy oil wells at Lone Rock, Sask., from six wells in the Leduc and Redwater fields, Alberta, and 24 producers in Wyoming.

A major light oil and wet gas discovery was made last summer on 60,000 acres in the Buick Creek area of Northwestern British Columbia. Four wells so far completed have all encountered large volumes of gas and distillate in the Nikinassin formation and one of the ventures also struck light oil in a 28 ft. section of that zone. The tract is being explored by the Pacific Petroleums group at no cost to Canada Southern which retains a 21¼% carried interest.

The Amurex Oil Development Co. group is carrying out a three-year program of exploration of 315,000 acres of company reservations in Southwestern Saskatchewan. The project will cost about $1.5 millions and will earn the Amurex group a half interest in the lands. Twenty-seven wells have been completed since commencement of the project last year, and several are under way. No finds of commercial importance have been made but numerous oil shows have been tested.

Alone or in association with others, the company has also drilled a number of ventures in the same general area, with mostly negative results. Exploration is being continued.

Britalta Pete.

This company, interested primarily in gas, holds a 50% interest in 16 gas wells in the Many Islands Lake area, and one large wet gas well in the Winchell Coulee area of Alberta. Interests are held in 295,986 acres of petroleum and natural gas leases, 152,913 acres of natural gas leases and 39,640 acres of petroleum and natural gas reservations.

Britalta has a 50% interest in 540 billion cu. ft. of gas reserves in the Many Island gas reserve field with a large indicated gas reserve for Winchell Coulee acreage which is now held jointly with Canadian Delhi Oil which paid for the initial well.

In mid-1954, Britalta Petroleum sold $550,000 of 6% debentures to Mutual Life Insurance Co. of New York. About half of this amount was to be used for repayment of existing debts with balance to be added to working capital.

No development is at present proceeding on the company's Winchell Coulee grounds. The Stanolind - Winchell Coulee-Crown "A" one well was abandoned recently and further studies of the ground are being made.

Negotiations are now proceeding for sale of gas from the Many Islands field to Trans-Canada Pipe Lines.

Banff Oil

Banff Oil, which has interests in 56 oil wells and additional interests in nine gas wells, has enjoyed some success in the present year.

A noteworthy development was the discovery of oil by a team headed by Seaboard Oil and Honolulu Oil Corp. on a 7,000-acre Banff farmout in the Wimborne area of Southern Alberta. The discovery well showed at least 31 ft. of water 3D reef with probably 5-8 additional feet that also have oil but may have some formation water.

In the Acme area, Delhi-Banff-Acme No. 2 well on L.S.D. 16-23-29-25W4, showed 39 deg. gravity oil in the D2 formation below 6,820 ft.

Oil of 49 deg. gravity was also secured in a well drilled in partnership with Sinclair of Canada Oil Co. on a farmout from Phillips Oil Co. and Canada Oil Lands in the Buffalo Lake area.

Banff reported a net loss of $226,070 after over $260,000 of write-offs in 1953. Working capital amounted to $1.3 millions at the beginning of the year and the company has no funded debt.

Home Oil Co.

An aggressive program of oil exploration is being carried on by Home Oil Co. in an effort to build up the oil reserve and production position of the company to the point where dividends may be resumed. Earnings in 1953 were 23c a share with a net profit of $534,570 realized from a gross production income of $4,714,507.

Net recoverable reserves were estimated at 23,451,589 bbls. at the beginning of 1953. Net reserves of natural gas and natural gasoline which took into consideration only wells connected to gas sales lines and gasoline plants, were estimated at 58,170,000 M.c.f. and 409,338 bbls., respectively. Since the end of 1953, a Shell-Home-Sarcee wet gas discovery in the Pridiss area has shown a potential in excess of 15 million cubic ft. daily may be possible.

Much of Home's oil exploration is carried on through Oilwell Operators which has been carrying on some productive development at Pembina and is investigating two large acreage blocks in more outlying sectors of the same region.

Working capital amounted to $2,461,521 at the beginning of this year.

Altex Oils

Altex Oils has been associated with the New Superior group of companies in most of its ventures to date. It holds an interest in 22 oil wells equivalent to net ownership of 3.28 wells, and in six gas wells or 1.02 net wells.

Company is participating in exploring holdings at Garrington and Rocky Mountain House in the Alberta Foothills, where the group recently discovered light oil in commercial amounts in the Cardium sand. Varying interests are also held in undeveloped lands, including 75,549 gross acres or 14,494 acres net to the company of oil and/or gas leases, 9,120 acres of gas license and 520,379 gross acres of reservations, all in Alberta, Saskatchewan, Northwest Territories and Montana.

Net oil reserves after royalties were estimated at 415,621 bbls., and reserves of gas at 4.83 billion cu. ft. Company's share of oil production totaled 47,362 bbls. in the year ended May 31, 1954, as against 11,658 bbls. the year before. The major portion of the production was derived from a 15% interest in 19 producers at West Drumheller.

Company has an authorized capital of four million shares, and 1,649,995 shares remain in the treasury.

Canadian Prospect

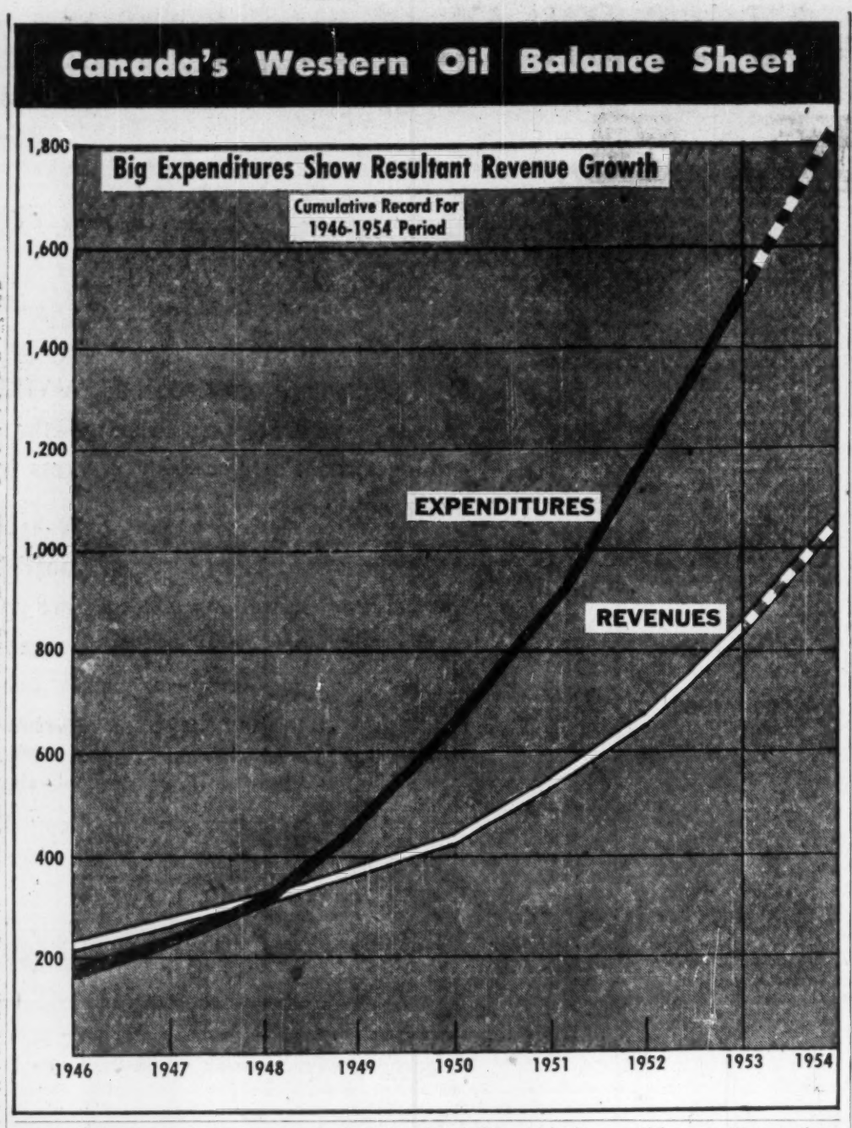
Formerly a landholding company only, Canadian Prospect Ltd. is now drilling on its own account. At Roselea, Man., the company has completed three Mississippian oil wells on a 320-acre tract this year, and further wells are planned.

The company is contributing from 80 to 160 acres per well to another operator for the drilling of seven wildcat wells in southwestern Manitoba, and is contributing nominal amounts of cash for three more ventures. All are to be drilled this year, and all near company lands. Acreage is also to be contributed to two more operators for the drilling of at least eight more wells.

Two oil producers have been completed on 160 acres in the North Big Valley field, Alberta, in which the company has a substantial stake. It is planned to drill two more wells. Company's share of net oil reserves here is estimated at about 900,000 bbls. The company also has a stake in nine producing oil wells in Illinois.

Company's acreage holdings include freehold, leases on about 1.9 million unproven acres in Manitoba, Saskatchewan, Illinois and the Dakotas, 2½% overriding royalty on freehold leases covering 915,000 acres unproven and in Crown permits on 470,000 acres in Manitoba and Saskatchewan, and varying interests in 2.6 million acres of unproven lands in British Columbia and Northwest Territories.

A 26% share interest is held in Canadian Gas Export Ltd., which is carrying on an extensive natural gas exploration and development program in southeastern Alberta. Canadian Prospect also invested $200,000 for a 20% interest in Los Angeles Alberta Petroleum Ltd., which has oil rights on 20,000 acres and gas rights covering 40,000 acres in the Denhart area of Alberta.



Commonwealth Petroleum

A net profit of $1,088,167 or 54c a share was realized by Commonwealth Petroleum in the year ended Sept. 30, 1953, when dividend income reached record total of $1,103,570.

While Commonwealth only has a Minor production income, the company has a very important stake in the contract drilling business through Commonwealth Drilling Co. which owns 24 drilling rigs and three service rigs. Other Commonwealth interests include 942,967 shares of Commoil out of 1,133,823 shares issued, 1,478,342 shares of Command Oils out of 1,679,916 shares outstanding, and 45,000 out of 125,003 issued shares of Commonwealth Supply & Service Co.

While not very active in the oil exploration field, Commonwealth paid 35c a share in dividends in both 1954 and 1953.

Royalite Oil

A considerable expansion of its refinery interests has been accomplished by Royalite Oil Co. over the last year. Last August, the company acquired a 50% interest held by Canso Oil Producers in Prince Albert Refineries, bringing the company's ownership to 100%. Shortly afterwards, the company acquired the Saskatoon refinery and marketing facilities of Hi-Way Refineries, which is now a wholly-owned subsidiary operating under the name of Royalite Hi-Way Ltd. Hi-Way operates a modern 6,500 bbl. daily capacity refinery at Saskatoon with numerous outlets in Saskatchewan and the Edmonton area.

Funds for acquisition of all the shares of Hi-Way Refineries Ltd. was provided through sale of 200,000 $25 par 5¼% cumulative redeemable convertible preferred shares. Each preferred share is convertible into two common shares up to Dec. 31, 1960 upon payment of $3 for each preferred share converted up to Dec. 31, 1956, $7 up to Dec. 31, 1958 and thereafter on payment of $11 per preferred share to Dec. 31, 1960.

Royalite had shown a net profit of $735,784 in 1953 after writing off over $1.3 millions for depreciation, amortization and depletion. Present dividend rate is 26c a share which requires a payment of approximately $740,000 a year.

In addition to its common and preferred stock issues, the company has a total of $13,040,000 of debentures and mortgage bonds outstanding of which $3 millions represent bonds of Royalite Products Ltd. which is operating a refinery of 5,000 bbls. capacity at Kamloops, B.C., and a 5,000 bbls. a day capacity topping plant at Coleville, Sask.

No recent figure on oil reserves has been published but sales of crude oil, natural gasoline and natural gas aggregated over $7 millions in 1953 and there was also revenue of over a million dollars from propane, sulphur and refined products.

Working capital had amounted to $2.6 millions at the beginning of 1954.

New Concord Development Corporation Ltd.

The Company has interests in 44 producing wells in prolific fields — Redwater, Leduc, Pembina, Camrose - Armena, Tioga - Beaverlodge (North Dakota) etc.

Completion of the Stanolind refinery at Mandan, N.D., enhances the company's income outlook considerably. Further development of North Dakota acreage is planned.

Shares of this company are listed on the Toronto Stock Exchange.

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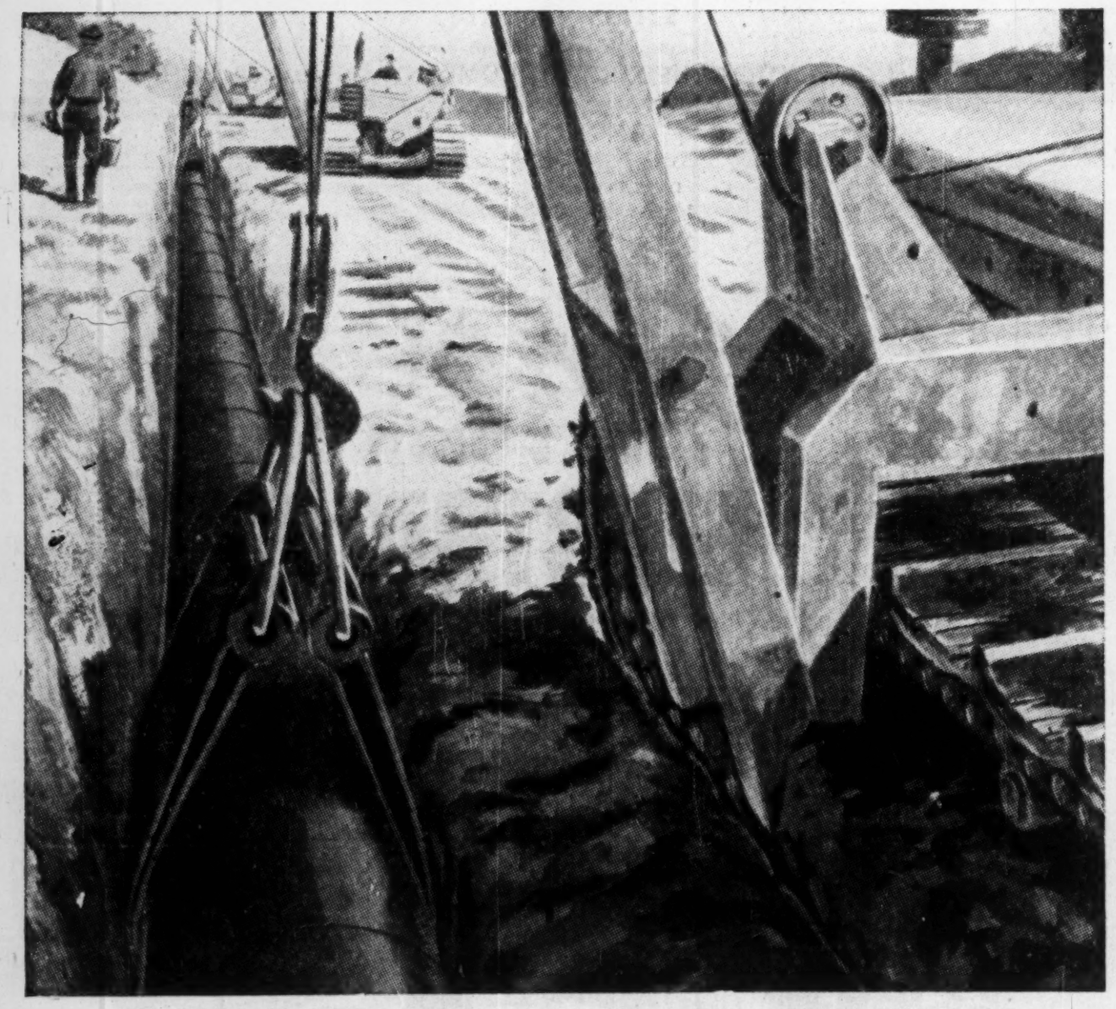

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The '54 Progress of the Oil Firms

Great Plains

Great Plains Development Co. recently shared in the first discovery in Alberta of oil in the Granite Wash formation. The find, made on a 23,000 acre farmout to the company and Triad Oil Co. in the Iroquois River area, rated an initial potential of 228 bbls. of light oil per day through restricted choke. First followup well is drilling a half mile north.

Another oil find was shared with Triad this year in the Wayne area, Alta. Here medium-gravity oil flowed from the Viking sand at a rate of 262 bbls. daily on test. Exploration is continuing. At Elkton a 10% interest is held in a large wet gas discovery and a 10-section farmout. This venture opened up 146 ft. of pay zone in the Mississippian formation, from which gas flowed at up to 12.8 million cu. ft. daily plus distillate.

In the Minnehik-Buck Lake area adjacent to the Pembina field, company held 25% and 37½% in nearly 100,000 acres under development. A number of wells have been completed as Cardium-sand producers, and oil has also been encountered here in the Viking sand and wet gas in the Mississippian. Lately the company sold a portion of its interest in 17,000 acres of leases considered to be proven.

Company also has interests in 34 oil and 10 gas wells in other areas of Alberta, including the Joffre, Leduc and Drumheller fields. Total reserves to the company of completed wells were estimated 1.34 million bbls. of oil and 14.63 million cu. ft. of gas.

Great Plains has an authorized share capital of 1.5 million shares, of which 761,092 are issued. Funded debt comprises $9,757,500 of 3-4% notes due 1965.

Bralsaman Pete.

Bralsaman Petroleums holds 15% interest in four light oil producers in the Leduc field and a one-third share in a medium-gravity oil well at Taber, which is shut in. At Rochester the company holds 12½% in a gas well which rated a flow of about 20 million cu. ft. per day. A second venture on this tract was dry.

Acreage holdings of Bralsaman include 100,000 acres in a number of districts in Alberta, 237,000 acres in five areas of northeastern British Columbia, and scattered tracts totaling 15,300 acres in Saskatchewan and 20,000 in Manitoba.

In the past two years the company has participated in drilling wildcat wells in the Pipestone Creek, Hamilton Lake, Drumheller, East Perryvale, East Mahaska and Kinsella areas of Alberta, and in seven wells in Manitoba. All were dry holes.

Company has an authorized capital of only one million shares, and 225,000 shares remain in the treasury. At Dec. 31, 1953, current assets totaled $874,857, and included cash and marketable securities of $872,357. Current liabilities amounted to $103,457.

Pacific Petroleums

One of Canada's larger independent oil and gas companies, Pacific Petroleums, suffered a body olow when the U. S. Federal Power Commission refused Westcoast Transmission Co. permission to construct a gas pipeline from British Columbia into the states of Washington and Oregon.

For the past several years, Pacific and its associates Peace River Natural Gas Co., Canadian Atlantic Oil Co., etc., have concentrated on development of gas resources of Peace River to service this market. Westcoast Transmission Co. was the marketing vehicle in which Pacific had invested over $1.2 millions, with a view to getting the gas to market.

But Pacific Petroleums has not taken the decision of the U. S. Federal Power Commission as the last word and other negotiations have been carried on with a view to completing marketing arrangements.

Pacific Petroleums has a gas reserve estimated at approximately one trillion cu. ft. of natural gas while crude reserves have been estimated at some 30 million bbls. of oil and condensate.

Interests in other companies include 1,354,650 shares of Peace River Natural Gas Co., 330,050 shares of Canadian Atlantic Oil Co., 1,000 shares and $300,000 of 6% demand debentures of Grand Prairie Transmission Co.

Pacific shares to the extent of its interest in lands in an agreement completed by Canadian Atlantic Oil Co. in 1954 with Southern Production Co. Inc. whereby Southern undertook to spend a minimum of $5 millions by June 30, 1955, exploring 27 blocks containing four million gross acres of lands in the Peace River area of Alberta and British Columbia and Alberta plains. This program of exploration is now proceeding.

Profit before write-offs but after all other expenses amounted to $1,110,523 in the year ended Feb. 28, 1954, with a loss of $597,823 after over $1.7 millions of write-offs.

There was an excess of current liabilities over current assets of $1,521,051 at Feb. 28, 1954, before allowing for nonrealized profit in marketable securities of over $2 millions.

The company's investment in Peace River Natural Gas Co with a large indicated market value, is not included among current assets.

Cdn. Oil & Gas

Canadian Oil & Gas Reserves Ltd. is currently engaged with other companies in delineation of their natural gas holdings in the Atlee area of southeast Alberta, in anticipation of supplying the proposed gas pipe line to Eastern Canada.

On the team's 20,000-acre reservation, in which the company has 12½% stake, two gas wells have been successfully completed in the Sunburst sand. Maximum flow was rated at 7.44 million cu. ft. daily. Gas was also encountered in the Bow Island sand at rates up to 4.2 million cu. ft. per day. The wells are about 2½ miles apart.

Company also has interests in three light oil wells at Drumheller and three heavy-grade oil producers at Chauvin, Alberta, and in three capped gas wells in the Sunrise area of northeastern British Columbia. A wholly owned subsidiary has interests of from 7.8% to 100% in 13 lease blocks totaling 2,520 acres in Oklahoma, on which are 43 producing oil wells. Further drilling is planned for these U. S. holdings.

Primary and secondary oil reserves of the company, both proven and probable, are estimated at 6.5 million barrels. There are 3,950,000 shares issued out of 5 million shares authorized. A total of $350,000 was received earlier this year from sale of shares.

Consol. Allenbee

Varying interests are held by Consolidated Allenbee Oil & Gas Co. in 21 oil wells and five gas wells in Alberta, Saskatchewan and Texas. Eight offset wellsites are to be drilled in West Texas, where the first well was brought in at 5,300 ft. depth, and reserves of 200,000 bbls. are indicated.

Chief gas holdings of the company are in the Steveville area of southern Alberta, where a 20% stake is held in 50,000 acres under development. Most of the company's oil producers are in the Leduc field; Allenbee's share of net recoverable reserves here is estimated at 656,000 bbls. of oil, while at Lloydminster the company has interests in two heavy grade oil wells. Total proven, undeveloped and probable reserves at Lloydminster are estimated at 545,000 bbls.

Company's treasury was recently enriched by $36,500 through sale of stock at 12c and 12½c per share. There are 4,450,023 shares issued out of five million shares authorized, and $500,000 debentures are outstanding, bearing interest at 5%, and maturing Jan. 1, 1960.

Cdn. Devonian

Discovery of light oil was made early this year on lands of Canadian Devonian Ltd. in Frobisher area of southeastern Saskatchewan. On 51,320 acres of leases farmed out to Canadian Gulf Oil Co., in which 50% interest was retained by the company, oil was encountered in both the Charles and Mission Canyon members of the Mississippian formation at around 4,600 ft. depth.

The discovery well flowed oil at a rate of about 2,640 bbls. daily. Several wells have since been successfully completed on the acreage, and work is being continued. On the same farmout but about 12½ miles to the north, Canadian Gulf recently made a further light oil find in the Charles zone, and testing is under way.

In southwestern Manitoba the company has just completed development of a half-section of its lands on behalf of a group which provided all costs. Company will have 40% interest after repayment to the group of the costs, which are expected to be repaid by November, 1955.

Acreage holdings of the company include 167,500 net acres of permits, 20,000 net acres of leases and a gross royalty on 1,200 mineral acres in Saskatchewan, 43,000 net acres of leases and gross royalties on 5,200 acres in North and South Dakota, Montana, Michigan, Wyoming and Oklahoma.

A subsidiary, Hawke Drilling Co., recently sold its three drilling rigs for an undisclosed price, and consideration is also being given to selling the properties of the U. S. subsidiary, Northern Plains Petroleum Co.

Net earnings were estimated in September of this year to be about $15,000 monthly. Current assets at May 31, 1954, included cash of $727,474 and $24,563 in Government bonds. Authorized capital is 3.5 million shares; there are 3,396,330 shares issued.

Canada Oil Lands

Primarily a landholding company, Canada Oil Lands Ltd. has interests in 85,900 acres of leases and 367,600 acres of reservations in Alberta, Saskatchewan and Manitoba. Also holds royalties on more than 10 million acres in Saskatchewan, some of which is producing.

Discoveries on company lands of light oil in the Permo-Penn formation and of gas in the Dunvegan zone have been made lately at ventures being drilled at no cost to the company.

The finds were made on 100,000 acres in northwestern Alberta, farmed out by the company and Phillips Oil Co. Ltd. to Banff Oil and Sinclair Oil Co. Canada Oil Lands retained 25% interest in the tract and in any production therefrom.

In the Porcupine Hills area, company and Phillips farmed out 200,000 acres to Canadian Gulf, which will drill a deep well to test all horizons down to and including the Madison formation at about 12,000 ft. Gulf will supply all costs and will also pay the company $56,250 upon commencing to drill. If production results, the company will receive a 7½% gross royalty.

Cons. Mic Mac

Consolidated Mic Mac Oils Ltd., resulting vehicle of an amalgamation of Mic Mac Oils, Skyline Oils and Banner Petroleum Corp., reports a net income of about $225,000 per annum. This is derived from its varying interests in 32 oil producers in Alberta. Cash position was approximately $750,000 last July.

Company also holds 8 2/3% carried interest in a 100,000-acre reservation in the Sturgeon Lake area of northwest Alberta. This is being explored at no cost to the company by Hudson's Bay Oil & Gas and Union Oil of California. Two wells in the northern portion of the tract were successful in finding light crude in the Devonian D3 zone, but a wildcat a few miles to the south was dry. The company will participate to extent of its interest in all production from the first well, but will not receive any benefits from the second or any succeeding wells until the two operating companies have recovered their costs.

In the Pembina field the company recently purchased from the Alberta Government four wellsites for a cash bonus of $377,000. The sites are considered to be proven as they offset present production. Varying interests are also held in about 480,000 gross acres, or 68,380 acres net to the company in Western Canada, Montana and North Dakota.

Company's oil reserves are estimated at 12 million barrels of light gravity crude. Of 5 million shares authorized, 3,256,000 shares still remain to furnish working capital if required.

Cons. Cordasun

In October, operating management of Consolidated Cordasun Oils was amalgamated with those of New Concord Development Corp. and Jasper Oil Corp. "in the interests of economy and efficiency."

Jasper held 1,550,000 shares of Consolidated Cordasun at Sept. 10, 1954, and it was stated that these holdings might be further increased and that Jasper might eventually merge with Consolidated Cordasun and New Concord.

Oil reserves of Consolidated Cordasun, all light crude, have been estimated at approximately 1,275,000 bbls., bulk of which is in the Beaverlodge field, North Dakota.

Altogether the company has interests in 33 oil wells in Alberta and North Dakota and owns or holds interest in extensive acreage in Alberta, Saskatchewan, North Dakota and Texas. Productive interests include a 7% interest in four wells at Redwater, a 22.22% interest in six wells at Leduc, a 10% interest in two other Leduc producers, nine wells at Campbell and two wells at Stettler.

A 6¼% interest is held in a well in Harris County, Texas, which was drilled to 10,334 ft. and is now shut in. The company has an outstanding issue of $600,000 of 5% convertible three-year notes due Jan. 1, 1956.

Bata Petroleums

Bata Petroleums is interested in the production of oil, natural gas, salt and potash in Saskatchewan. It supplies the natural gas required for the town of Unity, for a large electric power plant and a salt plant, and also to Western Potash Corp. Ltd.

In 1954 the company commenced a 10-well gas development project in the Unity field, and farmed out several tracts of land in other parts of Saskatchewan for exploration by other companies.

Company has a small participation in the New Superior group, which has completed 11 oil wells in the West Drumheller field, Alberta, and has drilled a number of wildcat ventures.

All the outstanding shares of Unity Gas Supply Co. Ltd. and of Associated Development Co. Ltd. were acquired by the company this year for a consideration of 750,000 shares and the payment of loans totaling $62,131.

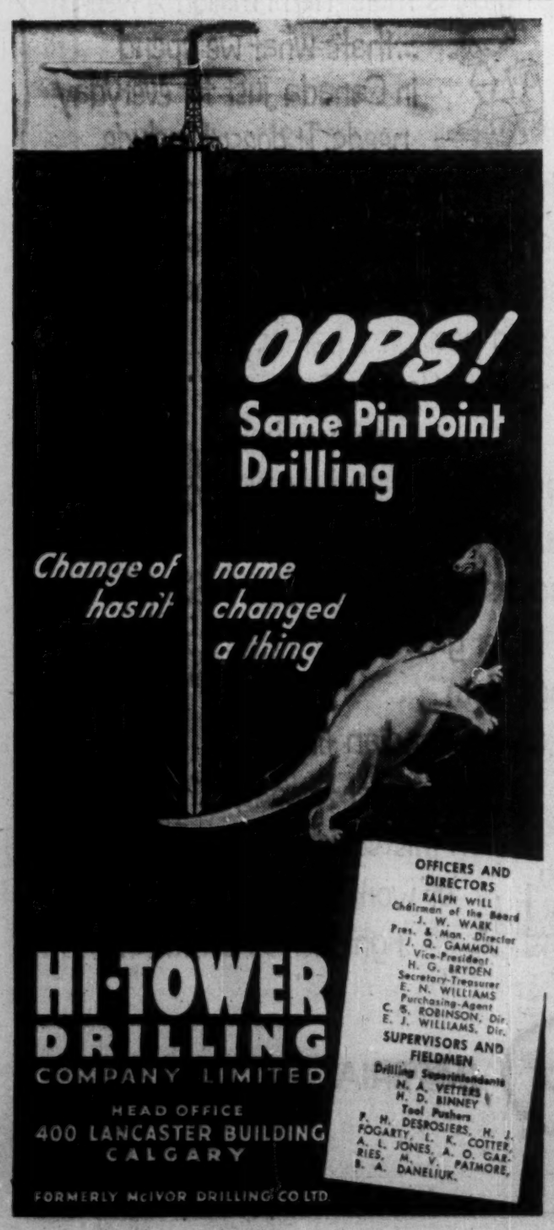
Devon-Leduc

A company which either directly or through its wholly owned subsidiary holds varying interests in 38 productive oil wells and 'x gas wells in the United States and Canada, Devon-Leduc Oils arranged a loan of $390,000 last August through American Securities Corp. of New York.

These funds were to be used to continue the program of exploration and development of the company's Canadian and U. S. holdings. A $2 million offering of bonds was made in April, 1954, was subsequently withdrawn and no issue of bonds was made.

A gross profit of $294,324 was realized in 1953 but there was a net loss of $213,325 after all charges. Oil reserves at the beginning of 1954 amounted to 4,313,829 bbls.

Devon-Leduc is fortunate in having working interests ranging from .9375% to 1.875% in 93,600 acres of leases and reservations in the Buck Lake area on which numerous producing wells have already been completed. This ground is held in association with Seaboard - Great Plains - Bailey Selburn group and the company also has a small interest (0.625%) in 85,760 acres of reservations held by the same group in the Elder Flats area to the south.



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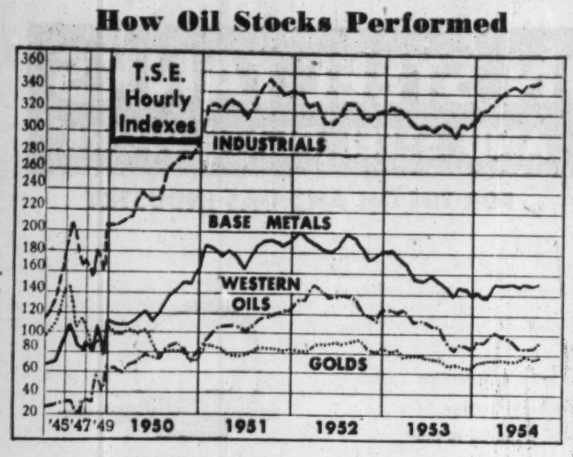
How Oil Stocks Performed



140 TSE Oil & Gas Issues Cover Wide Industry Range

Here is a complete listing of oil and gas stocks listed on the Toronto Stock Exchange in which Canadians are predominantly interested.

This country's stake in the petroleum business finds expression in giants such as Imperial Oil all the way down to pipeline companies and a multitude of independents engaged in development of oil and gas resources of Western Canada.

Best market performance this past year has been provided by the oil refining and marketing companies rather than the average company in the oil and gas development business.

Company	Author. Shs.	Outstand. Shs.	No. of Shs.* Under Opt.	Opt. Rge. of Prices $
Acme Gas & Oil Co.	5,000,000	2,875,232	.....	.....
Ajax Petroleums	5,000,000	4,000,000	.....	.....
Albermont Petroleums	6,000,000	4,035,102	.....	.....
Alberta Pacific Cons. Oils	3,000,000	2,354,252	.....	.....
American Leduc Petroleums	6,000,000	5,200,000	800,000	1.00-1.75
Amurex Oil Development	1,250,000	750,000	.....	.....
Anchor Petroleums Ltd.	4,000,000	3,650,000	.....	.....
Anglo-Canadian Oil Co.	5,000,000	3,779,376	.....	.....
Bailey Selburn Oil & Gas	4,000,000	2,429,669	.....	.....
Banff Oil Ltd.	4,000,000	3,047,101	64,000	1.90
Bata Petroleums Ltd.	8,000,000	6,572,314	200,000	.25
Braisaman Petroleums	1,000,000	775,000	.....	.....
Britalta Petroleums	3,000,000	2,361,917	22,400 7,600	4.75 7.00
British Amer. Oil Co.	12,000,000	8,369,739	.....	.....
Calgary & Edmonton Corp. Ltd.	3,250,000	2,415,100	.....	.....
Calnorth Oils Ltd.	4,000,000	2,850,004	.....	.....
Calvan Consolidated	7,500,000	4,797,377	150,000 15,000	7.03 3.55
Canada Oil Lands Ltd.	2,000,000	1,363,412	21,000	3.50
Canada Southern Petroleum	8,000,000	4,982,959	750,000	.....
Canadian Admiral Oils Ltd.	5,000,000	2,087,602	400,000	.30-.50
Canadian Atlantic Oil Co.	6,000,000	5,181,671	200,000 50,000	6.75 4.00
Canadian British Empire	10,000,000	5,381,197	.....	.....
Canadian Decalta Gas & Oils	4,000,000	1,761,360	264,000 50,000	1.50 .75
Canadian Devonian Petroleums	2,500,000	2,396,330	38,334	.78
Canadian Homestead Oils Ltd.	5,000,000	924,753	.....	.....
Canadian Oil & Gas Reserves	5,000,000	3,950,000	.....	.....
Canadian Oil Co's.—com.	3,000,000	1,006,895	38,400	15.00
Canadian Oil Co's.—8% pref.	20,000	20,000	.....	.....
Canadian Oil Co's.—5% pref.	50,000	50,000	.....	.....
Canadian Oil Co's.—4% pref.	10,000	10,000	.....	.....
Cdn. Petrofina Ltd. partic. pref.	4,000,000	2,069,550	22,950 32,500	10.00 10.00
Cdn. Pipelines & Petroleums	10,000,000	4,914,904	350,000	1.45
Canadian Prospect Ltd.	2,000,000	1,361,031	.....	.....
Cdn. Williston Minerals	6,000,000	3,965,000	.....	.....
Canso Natural Gas Ltd.	5,000,000	3,114,352	.....	.....
Canso Oil Producers	4,000,000	2,491,483	.....	.....
Central Explorers Ltd.	2,000,000	1,250,000	.....	.....
Central Leduc Oil Ltd.	5,000,000	2,758,005	.....	.....
Chamberlain Oil & Gas	4,000,000	3,500,000	.....	.....
Charter Oil Co. Ltd.	4,000,000	2,325,852	75,000 225,000	2.00 1.85(US)
Commoil Ltd.	1,500,000	1,133,823	.....	.....
Commonwealth Petroleum	2,000,000	1,999,309	.....	.....
Consolidated Allenbee	5,000,000	4,652,023	.....	.....
Cons. Cordasun Oils	5,000,000	3,577,500	.....	.....
Cons. East Crest Oil	5,000,000	1,486,823	.....	.....
Cons. Mic Mac Oils	5,000,000	2,010,665	75,000	4.00
Cons. Peak Oils	4,000,000	3,712,004	.....	.....
Cons. West Petroleum	1,000,000	993,398	.....	.....
Consumers' Gas Co.	2,500,000	1,435,520	.....	.....
Del Rio Producers	4,000,000	3,657,000	.....	.....
Devon-Leduc Oils	5,000,000	2,612,405	300,000 200,000	2.25(US) 1.50(US)
Dragon Oils & Gas Ltd.	4,000,000	3,137,305	.....	.....
Fargo Oils Ltd.	6,000,000	4,069,945	.....	.....
Federated Petroleums	5,000,000	3,858,212	20,000 10,000	7.50 5.00
Gas Exploration Co. of Alta	3,000,000	1,950,100	100,000	1.40
Gen. Petroleums of Can., Ord.	1,000,000	400,000	.....	.....
Gen. Petroleums of Can., Cl. A	1,000,000	710,098	100,000	10.00
Gr. Northern Gas Utilities	1,500,000	604,390	.....	.....
Great Plains Development Co.	1,500,000	761,092	.....	.....
Great Sweet Grass Oils	3,000,000	2,000,000	.....	.....
Gridoil Freehold Leases	3,000,000	2,124,165	.....	.....
High Crest Oils Ltd.	5,000,000	3,689,937	.....	.....
Hi-Tower Drilling Co.	200,000	145,000	.....	.....
Home Oil Co. Ltd.	3,000,000	2,357,633	20,000 10,000	7.50 11.00
Husky Oil & Refining	3,000,000	1,967,857	38,778	9.50-10.87
Hy-Charger Petroleums	5,000,000	4,130,000	.....	.....
Imperial Oil	35,000,000	29,847,227	127,350	.....
Int. Petroleum Co.	39,800,000	14,524,088	.....	.....
Interprovincial Pipe Line	40,000,000	5,039,832	15,500	25.75
Jasper Oil Corp.	5,000,000	1,901,005	.....	.....
Jupiter Oils Ltd.	3,000,000	2,407,250	.....	.....
Kroy Oils Ltd.	5,000,000	2,905,998	15,000 10,000	2.40 1.65
Liberal Petroleums	3,000,000	2,917,765	.....	.....
Long Island Petroleums	4,000,000	3,800,000	.....	.....
Marigold Oils Ltd.	3,500,000	3,000,000	.....	.....
Marwayne Oils Ltd.	4,000,000	3,050,000	.....	.....
McColl-Frontenac, Com.	4,975,526	2,607,963	.....	.....
McColl-Frontenac—4% pref.	100,000	60,000	.....	.....
Merrill Petroleums	5,000,000	2,832,995	125,000	6.85
Midcon Oil & Gas Ltd.	5,000,000	2,800,000	.....	.....
Mill City Petroleums	6,000,000	4,360,858	.....	.....
Naco Ltd.	4,000,000	3,400,000	.....	.....
National Petroleum Corp.	4,000,000	3,848,872	.....	.....
New Bristol Oils Ltd.	3,000,000	1,820,235	†	†
New British Dominion Oil	4,000,000	3,800,000	15,000	2.50
New Concord Dev. Corp.	5,000,000	2,926,373	.....	.....
New Continental Oil	6,000,000	6,000,000	.....	.....
New Davies Petroleums	4,000,000	1,863,937	.....	.....
New Devon Petroleums	5,000,000	4,300,000	.....	.....
New Pacalta Oils Co.	6,000,000	5,000,000	.....	.....
New Richfield Petroleum	4,000,000	1,023,275	.....	.....
New Superior Oils of Canada	4,000,000	1,519,417	.....	.....
Nordon Corporation	2,500,000	2,316,614	.....	.....
Norpax Oils & Mines Ltd.	4,000,000	2,616,669	600,000	.15-.25
North Canadian Oils Ltd.	7,500,000	4,499,906	125,000 5,000	3.00 2.00
North Star Oil—Com.	600,000	600,000	.....	.....
Northwestern Utilities	120,000	65,000	.....	.....
Oil Selections	10,000,000	6,660,110	.....	.....
Okalta Oils Ltd.	3,500,000	1,800,000	.....	.....
Pacific Petroleums Ltd.	5,000,000	1,455,863	93,727	6.37½
Pan Western Oils Ltd.	8,000,000	3,895,030	.....	.....
Parker Drilling Co.	500,000	310,003	.....	.....
Pathfinder Petroleums Ltd.	5,000,000	3,670,046	.....	.....
Peace River Natural Gas	5,000,000	2,720,050	.....	.....
Peruvian Oils & Minerals	3,000,000	1,730,005	10,000	2.00
Petrol Oil & Gas Co.	3,000,000	2,420,000	.....	.....
Ponder Oils Ltd.	4,000,000	1,979,700	.....	.....
Pontiac Petroleums Ltd.	3,000,000	2,150,003	350,000	1.90-2.65
Poplar Oils Ltd.	3,000,000	1,611,850	800,000	.25-.75
Prairie Oil Royalties	2,500,000	1,462,350	.....	.....
Reef Petroleums	3,500,000	3,080,005	.....	.....
Rio Prado Cons. Oils	8,000,000	5,576,030	64,000	1.00
Roxana Oils	5,000,000	4,012,000	.....	.....
Royalite Oil Co.	4,000,000	2,877,448	2,500 5,500	10.00 15.00
Sapphire Petroleums	7,500,000	6,378,465	100,000	3.25
Scurry-Rainbow Oil Ltd.	10,000,000	4,351,385	171,000	1.45-1.70
Security Freehold Petroleums	2,500,000	1,900,000	.....	.....
Souris Valley Oil Co. Ltd.	5,000,000	4,037,938	.....	.....
Spooner Oils Ltd.	3,000,000	2,147,265	30,000 50,000	.30 .35
Stanwell Oil & Gas Ltd.	4,000,000	3,383,334	300,000	.65-.75
Stuart D. A. Oil Co. Ltd.	200,000	103,820	.....	.....
Superior Propane Ltd.	370,000	358,340	10,900	2.50
Supertest Petroleum—Ord.	1,375,000	590,275	.....	.....
Supertest Petroleum—Com.	125,000	125,000	.....	.....
Supertest Petroleum—pref.	35,517	23,517	.....	.....
Texas Calgary Co.	2,500,000	1,516,482	10,000	2.50
Trans-Empire Oils	5,000,000	2,627,750	300,000	1.60
Trans-Era Oils Ltd.	8,500,000	5,520,540	300,000	.30-.35
Trans Mount. Oil Pipe Line Co.	5,000,000	1,500,028	.....	.....
Trend Petroleums Ltd.	3,000,000	2,767,500	.....	.....
Triad Oil Co. Ltd.	17,500,000	7,521,274	60,000 500,000	2.55 2.37½
Union Gas Co.	1,000,000	706,199	.....	.....
United Fuel Invest. 6% A pref.	90,000	90,000	.....	.....
United Fuel Invest. B pref.	69,689	69,689	.....	.....
United Oils Ltd.	7,000,000	6,299,256	.....	.....
Vulcan Oils Ltd.	4,000,000	1,179,898	.....	.....
West Territories Oils Ltd.	5,000,000	3,600,060	600,000	.20-.30
Western Leaseholds Ltd.	7,000,000	7,000,000	.....	.....
Wilrich Petroleums Ltd.	5,000,000	5,687,617	.....	.....
Yankee Canuck Oil & Mining Corp. Ltd.	5,000,000	4,450,000	450,000	.10-.25

*Including limited incentive options to employees.

†1,000,000 shares under option at price based on market less a commission.

ANGLO-CANADIAN

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ANGLO-CANADIAN OIL COMPANY LIMITED
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Here Are Progress Reports

Chamberlain Oil

Chamberlain Oil & Gas and its associates are engaged in delineation of their natural gas acreage in the Buffalo-Bindloss area of southeastern Alberta. Here on 142,000 acres of gas license the group has completed a number of widely spaced gas wells, with open flow potentials rated at up to 1 million cu. ft. per day.

Reserves in the area are estimated at 35.14 billion cu. ft. proven and 85.9 billion cu. ft. probable. Company's interest in the project is 20%.

Chamberlain also has four producing oil wells just south of Edmonton, reserves of which are indicated to be 600,000 bbls. Varying interests in undeveloped lands are also held in other parts of Alberta.

Authorized capital is four million shares, and 500,000 shares remain in the treasury.

Stanwell

Stanwell Oil & Gas Co. holds a stake in 14 oil wells in the Leduc and Erskine fields, Alberta, and has landholdings totaling about 37,000 acres in a number of areas in that province and in 27,000 acres in southwestern Ontario.

A wholly owned subsidiary, Blair Oil and Gas Corp., is reported to have interests in oil properties in Texas and southeastern United States and in Egypt. This company was acquired in mid-1953 for 850,000 Stanwell shares, the issuance of which is the subject of litigation.

Controlling interest in Stanwell was acquired at the same time by Blair Holdings Corp. of New York, who stated that they would provide $2 millions for development.

Cash position was $400,688 at the end of 1953, and a further $195,000 was received in March of this year through sale of treasury stock. There are 316,666 shares left in the treasury out of four million shares authorized.

Progress Reports

Merrill Pete.

One of Canada's most fortunate independent oil companies is Merrill Petroleums which was formed less than four years ago. A 10% interest was held in a 98,880-acre reservation in the Pembina field of Alberta, which has proved to be Canada's most productive oil field.

Merrill's proven oil reserves have been estimated at more than 44 million bbls. Over 40 million bbls. of these reserves are located at Pembina. By the end of 1954 Merrill has expressed the hope that approximately 150 producing wells will have been completed at Pembina. Present plans call for completion of 240 wells in each of the years 1955, 1956, 1957.

Of the 44 million bbl. oil reserve, 28 million bbls. represents primary production anticipated.

Merrill has been successful in several other exploratory ventures carried on in partnership with others.

While there was a loss of $1,166,258 in the year ended June 30, 1954, the company has arranged a standby bank loan of $2 million which together with future income, is expected to be adequate for the proposed exploration and development program.

Triad Oil Co.

Triad Oil Co. had a loss of $407,744 in the year ended Nov. 30, 1953, after writing off nearly $1.2 millions of depreciation, depletion and development expense, but increased its oil reserves during the period by nearly a million bbls. to 12,794,755 bbls. This was after producing 476,066 bbls. during the year.

By the end of Jan., 1954, D'Arcy Exploration Co. a wholly-owned subsidiary of Anglo-Iranian Oil Co. held a 25% interest in Triad acquired at a cost of $5,031,250.

Somewhat larger development and exploration programs have been carried on in 1954 in line with additional funds made available and an enlarged technical staff. The company was interested in the Gilwood light oil discovery well and in new production obtained in the East Malmo area.

D'Arcy increased its interest in Triad through the purchase of a further 250,000 common shares and $125,000 4½% convertible notes, in July, 1954.

Working capital at Nov. 30, 1953, had amounted to $2,131,907 but has enjoyed a major increase since due to funds received from Anglo-Iranian.

Canadian Admiral

In association with three other companies, Canadian Admiral Oils is developing their joint holdings in various U. S. fields. On three tracts totaling 660 acres in Jones, Coleman and Crockett Counties, Texas, the group has brought in five oil wells and a gas well; four wells were completed on 760 acres in Pondera County and a three-well program is planned for a 42,000-acre spread in Rosebud County, Montana. In Oklahoma the team has discovered oil on their 488-acre block. Canadian Admiral has 6¼% and 12½% interest in all these ventures.

The team is also drilling on their Milstead lease in southwestern Jones County, Texas. Five wells are planned of which three have been successful. Following completion of this program four wells are to be drilled on another lease adjoining to the west.

In Canada the company has a varying stake in 20 oil wells in the Redwater, Turner Valley, Leduc and Hamilton Lake fields, and in three capped gas wells, all in Alberta. Prospective oil and gas lands are held in all four western provinces.

The treasury was recently enriched by $32,500 through the sale of stock at 20 and 25 cents a share, and options have been granted on a further 400,000 shares at 30 cents to 50 cents a share. There are now 2,087,602 shares issued out of 5 million shares authorized.

Gridoil Freehold

Oil success was recently obtained on acreage held by Gridoil Freehold Leases Ltd. in the Frobisher area of southeastern Saskatchewan. Canadian Gulf provided costs of a well which struck oil of 40 degrees gravity in the Mission Canyon section of the Mississippian formation. By drilling the well, Gulf earned a 50% interest in any production therefrom and has the right to drill on the adjoining 40 acres. Gridoil retained 100% ownership of the 80 acres to the south.

In 1952 oil was discovered on 5,120 acres of company lands at Gull Lake in southwestern Saskatchewan. Since then the company has successfully completed 15 wholly owned wells and has a half interest in a further 17. A substantial number of wells are planned for this area. Production here is taken from the Basal Cretaceous and the Jurassic formations, and a contract has been signed for the sale of 1,000 bbls. of oil per day.

Landholdings of Gridoil comprise leases on 524,000 acres of freehold lands. About 65% of the acreage is distributed over broad areas of southern Saskatchewan and remainder over wide areas of southwestern Manitoba. Large blocks of the lands lie near such proven oil fields as Fosterton, Success, Cantuar and Midway.

Production commenced accruing to the company in November, 1953. To the end of that year the company's share was 48,677 bbls.; from Jan. 1 to April, 1954, it was 94,657 bbls. Gridoil is controlled by Anglo-American Exploration Ltd., which holds 1,309,435 of the 2,124,165 shares outstanding.

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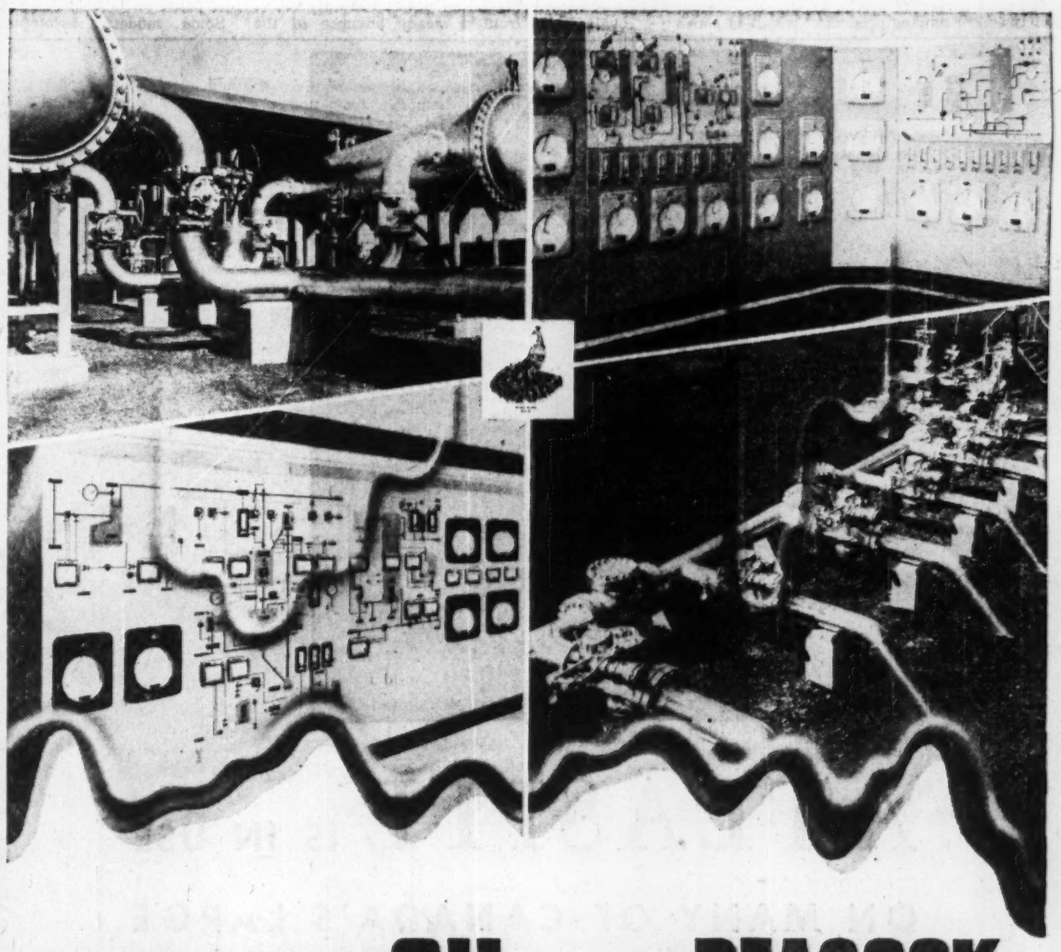

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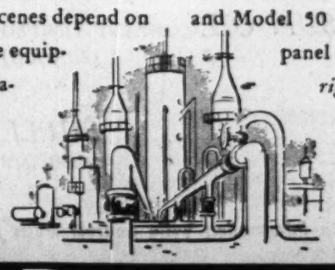

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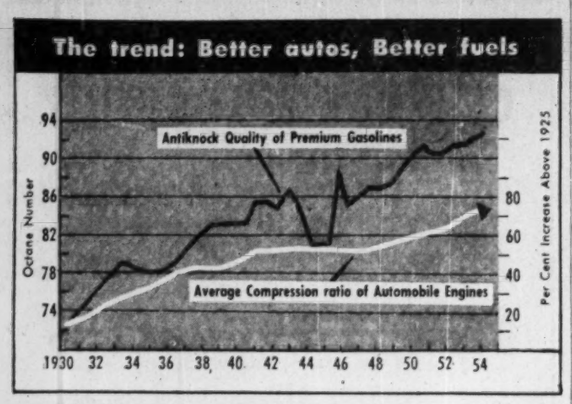

How Refiners 'Stretch' Each Barrel of Crude

One of the most remarkable chapters in the exciting story of Canada's postwar oil development tells what the oil refiner has learned to make out of a barrel of crude.

The industry's ability to expand is just as great as the refiners' ability to turn out the petroleum products required by today's rapidly changing markets. For instance, from the standpoint of today's motor fuel requirements, practically every oil refinery operating in Canada at the end of the war was outdated. Not one of them could turn out the high octane gasolines necessary for efficient operation of today's auto engines.

Not only have the oil companies had to embark on a multi-million dollar modernization program to keep one step ahead of market requirements, but at the same time they have had to double total refining capacity.

But the refiners' problem hasn't just been a matter of producing products in line with market specifications. It has also been one of producing them at the right time and in proper proportions.

Unfortunately, from the refiner's standpoint, you can't make gasoline without at the same time making fuel oils—or vice versa—and some heavy oils and maybe asphalt as well. The problem is to keep them all in proper balance and not get weighted down too heavily with inventory stocks in one or two slow moving products.

For instance, the unprecedented postwar boom in oil furnace installations in this country completely altered the refinery picture and put more stress on fuel oil than ever before. This upset the long-developed refinery pattern and forced the petroleum chemists and engineers to devise ways and means of squeezing more fuel oil out of the barrel of crude without at the same time affecting too seriously his proportionate yield of other refined products.

Now another major problem is facing refiners — the sharply growing demand for diesel oil brought about by the big dieselization programs on Canadian railways.

Motorists Tighten Belts

A particularly wet summer in many parts of Canada which cut down motoring plus a general belt-tightening move among motorists has produced a worrisome gasoline inventory problem at the moment. Gasoline stocks are currently running some 25% ahead of last year and several refiners who have been running out of storage tanks have had to reduce refinery runs until gasoline consumption catches up. This is resulting in lower crude purchases and reduced movement through oil pipelines. It has also heightened considerably the competitive market picture that already existed on gasoline

But the biggest development in the oil refining picture—and one which is causing a revolution in refinery techniques—is the rapidly increasing demand for higher octane gasoline to power today's high compression auto engines. (Octane number is the scientific measurement of a gasoline's anti-knock quality.) Over the past 25 years octane levels have been rising at the average rate of one octane number a year with most of the rise concentrated into the postwar period.

"By 1958-60, Canadian motorists will be running their cars on 98 to 100 octane gasoline," a refiner told The Post recently. This is roughly equivalent to commercial grade aviation fuels. Almost every refiner is gearing up to meet the 100 octane market requirements.

After the war every major oil company swung into a program of construction of catalytic crackers to boost yield of gasoline from crude and at the same time raise the general gasoline octane level. Increasing use was also made of tetraethyl lead as an additional aid in boosting gasoline octane levels.

But the limits of the cat crackers are now well within sight and already a second major refinery construction program has been launched in U.S. and Canada to enable refiners to keep just one step ahead of the auto manufacturers. The next big refinery installation is the catalytic reformer.

An estimated $500 millions is being spent this year in U.S. on construction of "cat" reformers. In this country, every major refiner has plans to add these new units at most of their present refineries within the next five years. Ultimately total expenditures on this program—including first two Canadian units already "on stream" at Sarnia, Ont.—is expected to run around $75-$100 millions.

Average compression in this year's auto models is 7.6 to 1. The 1955 average is going to be higher still. (Compression ratio is the number of times the gasoline and air mixture is compressed in the firing chamber at the top of the stroke. Back in 1925 the ratio was 5 to 1.) Right now auto engineers are forecasting compressions of 10 to 1 for the average passenger car of 1958-1960.

The greater the compression the greater the power generated per unit of fuel. But this raises very special problems that have become the refiner's nightmare. Since greater compression produces greater heat in the auto combustion chamber there is a strong tendency for "end gases" to explode violently causing considerable dissipation of power. Maximum power can only result from a steady advance of the burning flame across the combustion chamber.

It has been the oil refiners' job to build into today's motor fuels special explosion-resisting or "antiknock" qualities. Because the limit has just about been reached on the cat crackers, the refiners are now drawing up their programs for cat reformers.

These latest refining installations operate chiefly on straight-run gasoline. In the upgrading of this to higher octane levels there will likely be a loss of yield of 12% to 15%. Because of this, refiners may decide to boost prices moderately on the new super-fuels. In the long run, however, motorists will likely be "in pocket" since saving from improved engine efficiency will more than compensate for added fuel price.

Some modern developments have produced entirely new markets for the refiner. The rapidly expanding petrochemical industry has built up a big and rapidly growing market for some light hydrocarbons formerly flared away or burned under refinery boilers.

Today the ethane, propane and butane "light ends" available from many refinery gas streams are very much in demand by a variety of new petrochemical plants springing up across Canada. These light hydrocarbons are becoming building blocks for a broad list of petrochemical products including synthetic fibres, synthetic rubber, paints, motor chemicals, fertilizers, plastics, pharmaceuticals.

While the overall percentage of petroleum going into this field is still less than 2% of all being consumed it is providing the refiner with an increasingly attractive revenue for what was formerly largely a disposal problem.

In Canada the petrochemical industry has concentrated in three locations close to plentiful supplies of these petroleum hydrocarbons—at Sarnia, Montreal and Edmonton.

At Sarnia the light ends are going into a long range of synthetic rubbers, plastics, water emulsion paints, ethylene-glycol, cleaning fluids, etc.

At Montreal, they're being converted into acetone, phenol, isopropyl alcohol, ethylene glycol.

At Edmonton, they're going into polyethylene plastics, a dozen or so industrial chemicals including formaldehyde and pentaerythritol.

Progress Reports

Sapphire Pete.

Major expansion of crude oil interests of Sapphire Petroleums was accomplished in the latter part of 1954 when the company acquired 24,656 acres in the Weston County oil area, eastern Wyoming, for $5,650,000 of which $1,350,000 was paid in cash. Balance was met by issue of 1,550,000 treasury shares and agreement to make payments of $1,200,000 out of oil returns.

The new acquisition included 7,500 acres of proven land which added approximately 25 million bbls. of primary reserves to the company's crude resources which are now estimated at 29,500,000 bbls., while secondary recovery reserves jumped to 28,500,000 bbls. Interest in 61 producing wells provided through the acquisition and purchase was reported to have added approximately $100,000 monthly to the company's earnings. It was expected that an additional 25 wells would be drilled within the first six months after acquisition.

A newly formed Mines Division this year acquired a 50% interest in a uranium deposit in Wyoming with a uranium bed established averaging 0.37% uranium oxide.

Recognition of the growing importance of Sapphire among independent oil producers has been provided by listing on the London, England, American and Los Angeles stock exchanges as well as the Toronto and Calgary exchanges in Canada.

Cdn. Homestead

Canadian Homestead Oils succeeded Western Homestead Oils on Mar. 3, 1954, and stock was exchanged on the basis of one new share for each four old shares held.

Company is participating in exploration of its potential gas holdings in southeastern Alberta. On 47,000 acres at Kinmundy two wells about seven miles apart were completed in the Viking sand with flows of gas recorded at up to six million cu ft. daily, and a third well is under way.

To the Northwest at Stanmore, on 8½ sections of pooled lands, the first test was dry and a second well is drilling. With its associates, company farmed out lands in the Duchess area to Gulf States Oil Co., which struck gas at two ventures drilled free to Canadian Homestead. Absolute open flow of gas from the productive Basal Colorado zone was estimated at up to 20 million cu. ft. per day. A third driller was dry.

All these gas wells have been capped pending completion of the proposed pipe line to Eastern Canada.

Canadian Homestead also has a varying stake in 39 oil wells in the Armena, Hamilton Lake, Baxter Lake and Glen Park areas of Alberta, and has royalties on 77 wells in Southwestern Saskatchewan.

Large reservation lands held by the company and its partners in the Northwest Territories have been disposed of to Shell Oil Co. for a substantial cash payment. Company retained a gross royalty on any production.

Reserves net to the company are estimated at 2,120,000 bbls. of oil developed, 957,000 bbls. probable and 2,128,000 bbls. possible. Net gas reserves are 7.65 billion cu. ft., apart from the Kinmundy and Duchess reserves. Net revenue from production for the fiscal year ended May 31, 1954, amounted to $257,000, not including the Saskatchewan royalties which were unproductive during the period.

Cdn. Pipe Lines

Sale of $750,000 of 5½% convertible notes last October greatly improved the position of Canadian Pipe Lines Producers and placed the company in a position to continue productive drilling as opportunity permits.

Altogether, the company has participating interests in 72 productive oil wells and five gas wells in Western Canada and Missouri as well as royalty interests in producing and undeveloped acreage, etc. Subsidiaries are engaged in servicing wells under contract.

Light crude reserves have been estimated at approximately 2,500,000 bbls. while net production income was $198,850 in the period Jan. 1-June 19, 1954. The company is still capitalizing expenditures as the company is deemed to be in an exploration and development stage.

All the assets of Model Oils were acquired in Dec., 1953, on the basis of one Pipe Lines share for each two Model shares outstanding. Then last February, the company acquired four more companies: Mentor Oil & Gas, Cal-Williston Petroleums, Alberta Royalties Syndicate and Trans-Canada Oils. In April, Red Deer Mineral Holdings was also acquired.

Present issued and outstanding capital is 4,814,904 shares of an authorized capital of 10 million shares. Convertible notes are convertible into common stock at the price of $1.50 a share.

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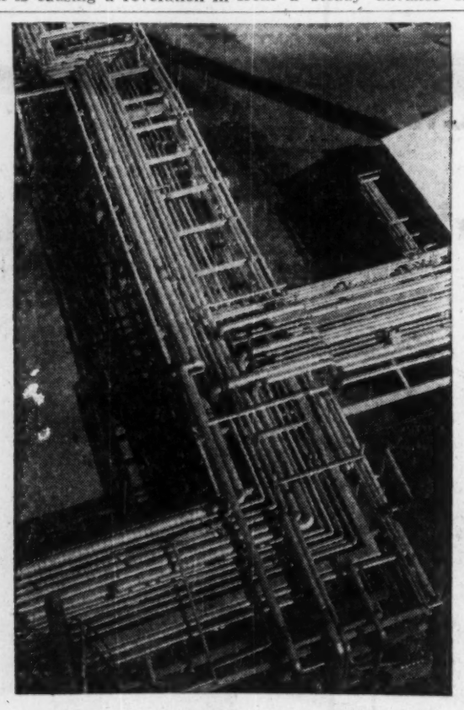

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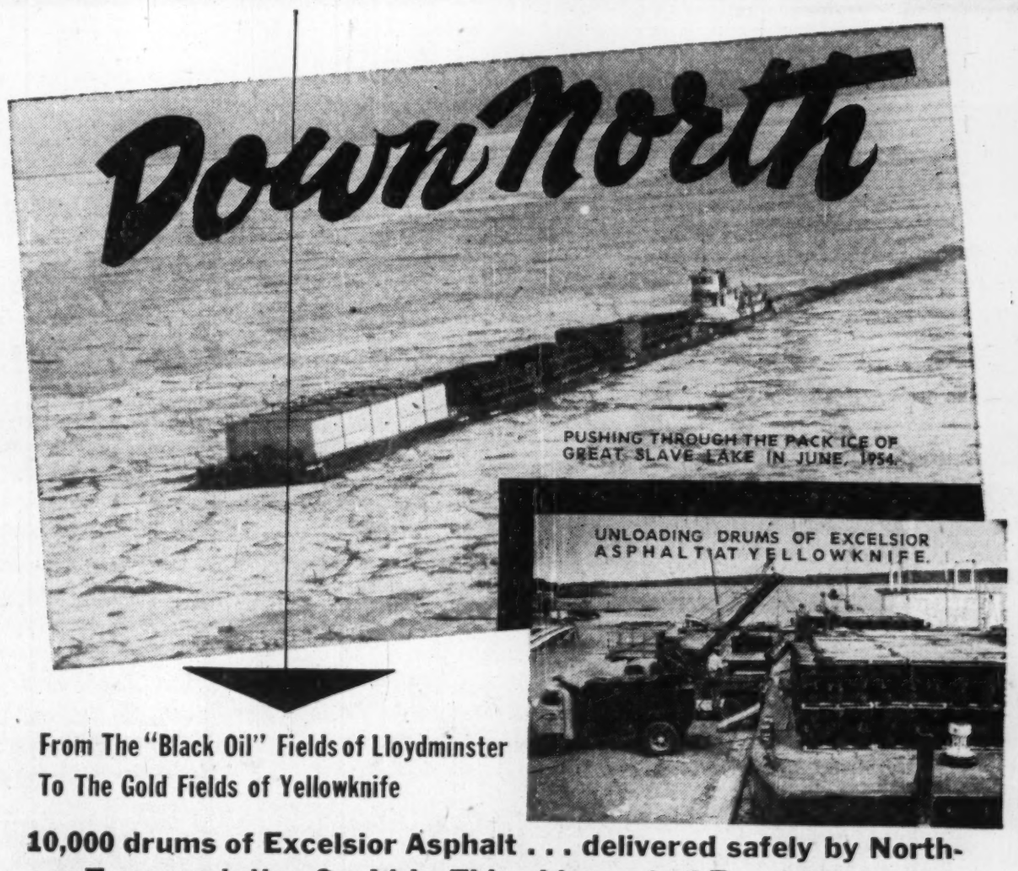

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How Oil Firms Fared In '54

Liberal Pete.

A 14 1/3% carried interest in a 100,000-acre reservation in the Sturgeon Lake area of Alberta is held by Liberal Petroleums Ltd. The tract is being explored at no cost to Liberal by Hudson's Bay Oil & Gas Co. and Union Oil of California.

The first well on the lands, in the extreme northern sector of the reservation, encountered light oil in a 214 ft. pay section of the Devonian D3 zone. This was a stepout venture for the field, being more than three miles southeast of any previous production. A second venture southeast of the first well was a duster, but another well 4½ miles to the west was also successful in the D3.

The company will participate to the extent of its interest in all production from the first well, but will not receive benefits from any succeeding wells until the two operating companies have recovered their development costs.

Liberal also has a stake in 19 oil producers, chiefly in the Blackfoot and Lone Rock heavy oil fields, and in 47,548 acres of leases and 218,132 acres of reservations in Alberta and Saskatchewan. Company's oil reserves are estimated at about one million bbls.; its share of production exceeded 25,000 bbls. in the period May-Dec., 1953.

This year a total of $435,000 has been received from the sale of treasury shares, bringing outstanding capital to 2,917,765 shares out of three million shares authorized.

New British Dom.

With varying interests reported in 11 oil and 15 gas wells in Alberta, British Columbia and Montana, New British Dominion Oil Co. last July reported that a new petrochemical company was being formed to build an $18 million plant in Southern Alberta. The new company was to have necessary financing arranged without any additional security issue by New British, and they were to utilize natural gas exclusively from the Etzikom field which contains most of the company's gas reserves.

Consolidated net loss for the year ended March 31, 1954, had amounted to $754,206. Included was a loss of $102,929 on sale of Stetler Gas Co. for $550,000.

Oil reserves were estimated at approximately 1,250,000 bbls. at March 31, 1954, and 175 billion cu. ft. of natural gas.

Gas was discovered late 1954 on a 60,000-acre block of land in which the company is interested while further drilling is being done on company lands by outside interests.

North Canadian

With a special meeting of shareholders approving the deal, North Canadian Oils is proceeding with the St. Regis Paper Co. project for construction of a bleached sulphate pulp mill at Edson, Alta., on a mill site covering 1,000 acres.

Actual construction is scheduled to begin next spring. Cost of the plant is estimated at $23 millions, which would leave $7 millions for working capital out of $30 millions proposed to be raised.

In addition to sulphate pulp, the plant will manufacture kraft liner board, and multiwall bag paper. Bryan Mountain Coal Co., another wholly owned subsidiary of North Canadian Oils, will supply entire fuel requirements for the mill's power for a period of 16 years.

The paper mill would be owned by North Western Pulp & Power Co. but would be operated by St. Regis. North Western Pulp & Power is a North Canadian subsidiary.

Equity capital of $5 million is to be provided by North Western Pulp & Power Co. and St. Regis Paper Co.

North Canadian's annual report showed a net profit of $71,557 in the 16 months ended March 31, 1954, with working capital at $759,702, at the end of this period. Authorized capital was increased in September from five million to 7.5 million shares at 25c par value.

Federated Pete.

In addition to possessing net recoverable reserves of approximately 2.4 million bbls. and 149.4 million M. c.f. of gas at the beginning of 1954, Federated Petroleums also held 583,479 shares of Home Oil Co., one of Canada's largest independent oil producers.

After writing off over $670,000 for development expense, exploration, depreciation, etc., net profit in 1953 was $74,309 or about 2c a share on the company's 3,658,212 issued shares.

Through Oilwell Operators, formed in association with Home Oil, the company has participated in an oil exploration and development program with others, which has so far involved the expenditure of over $5 millions. There has been a participation in a number of exploration projects which hold promise of substantial returns, if successful. Among these has been recent exploration of large tracts in the Pembina region where encouragement was secured in first test work.

An interest in excess of 50% is held in Williston Oil & Gas Co. which found two small oil fields in 1953 and which had net working capital of approximately $1.2 million at the beginning of 1954.

Fargo Oils

Fargo Oils now has a major interest in the two fields considered to be the best in the general Lloydminster area. These are at Lone Rock, where the company has 90% interest and obtains a daily production in excess of 1,363 bbls. and the Epping field, in which the company has more than 50%. Further drilling is under way by Fargo in this area.

Other oil production accrues to Fargo from its share in six wells at Redwater, two in the Caprona-Fenn field and one producer at Leduc. Natural gas interests are held in the Cessford area of Alberta, being explored at no cost to Fargo by Canadian Export Gas Ltd., and in the Blueberry Creek area of northeastern B. C. Several potential gas wells have been completed in each area and exploration is continuing.

All assets in Saskatchewan of Franco Oils Ltd. were acquired last year by Fargo for 860,000 ordinary common shares, and further interests at Epping and Lone Rock were purchased in June of this year for 91,000 ordinary common shares.

Capital consists of 6 million ordinary common shares and 3 million class B common shares. Of these, 4,069,945 ordinary and 700,000 class B shares are issued. The class B common is management stock and is entitled to elect a majority of the directors; 400,000 of the B shares are held by General American Oil Co. of Texas.

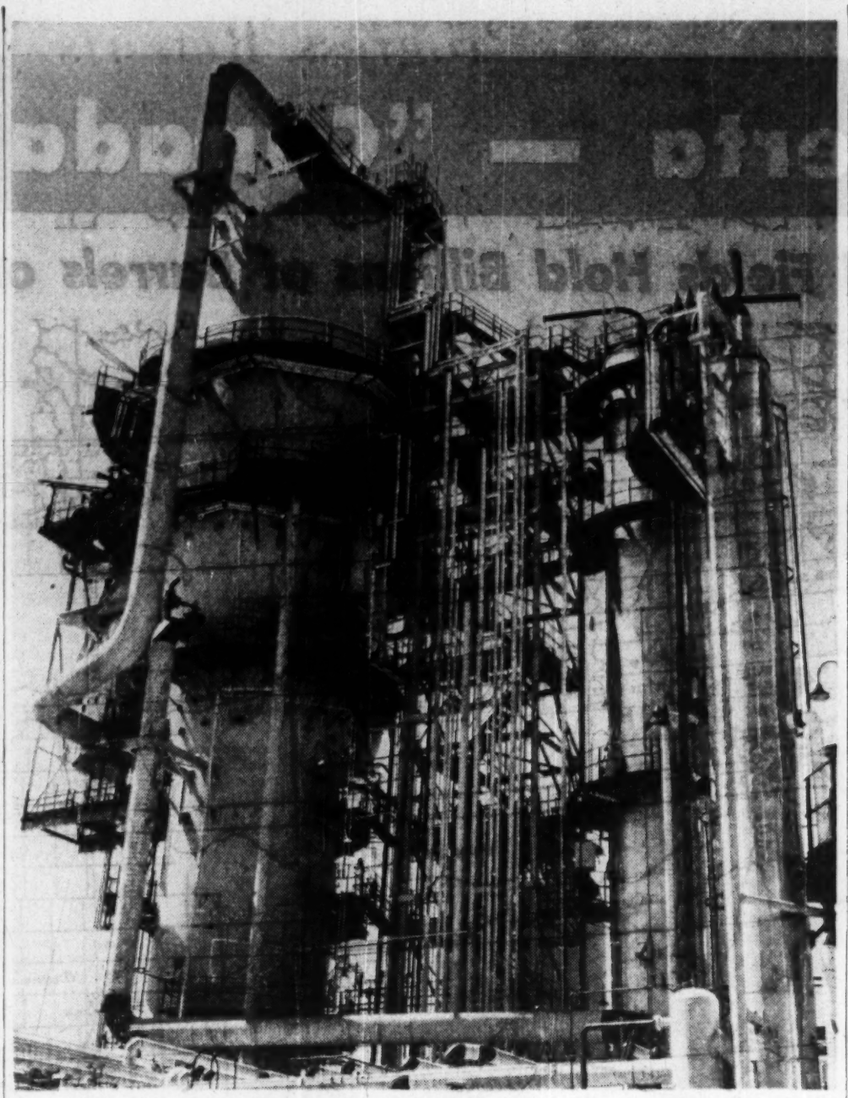
Trans-Era Oils

With its chief productive interest in Kansas and Oklahoma, Trans-Era Oils had a production of about 1,000 bbls. a day from approximately 200 wells at mid-1954. In April, there was a profit before depletion, depreciation and non-productive development expense of $102,953.

Among its investments Trans-Era now holds 76,687 shares of Pan-Israel Oil Inc., 76,687 shares in Mediterranean Corp. Inc. and 62½% interest in Double "A" Drilling Co. Ltd.

Finances for extending the company's interests have been provided during 1954 by sale of shares at prices ranging from 25c to 45c a share.

George L. Noble, Jr., is now president replacing J. B. Adoue, Jr., who resigned.



$8 MILLION program, including this fluid cat cracker, was completed at B-A Oil's Clarkson, Ont., refinery this year.

West. Leaseholds

Western Leaseholds, one of the largest independent oil companies, has been exploring its potential gas lands in the Duvernay-Hairy Hill area northwest of Edmonton.

In the year ended Sept. 30, 1954, company discovered heavy oil at Jenner and natural gas at Turin, Alta., and successfully completed four development oil wells and a gasser in other fields.

Company is negotiating to share in farmouts which should result in the drilling of three widely spaced wildcats in the deep part of the Alberta basin.

Has varying interests in almost 2.5 million acres of undeveloped lands in Alberta, Saskatchewan and Manitoba, and a participating or royalty share in 147 producing oil wells, and 10 gas wells, nine of which are capped. These include 70 oil wells in the Redwater field.

Company's share of production totaled 1,596,000 bbls. in the year ended Sept. 30, 1954. Income totaled $5,575,787 including production revenue of $5,438,716. Net profit was $1,027,304 after all expenses and write-offs. Cash and Government bonds amounted to $1,752,222 at Sept. 30, 1954.

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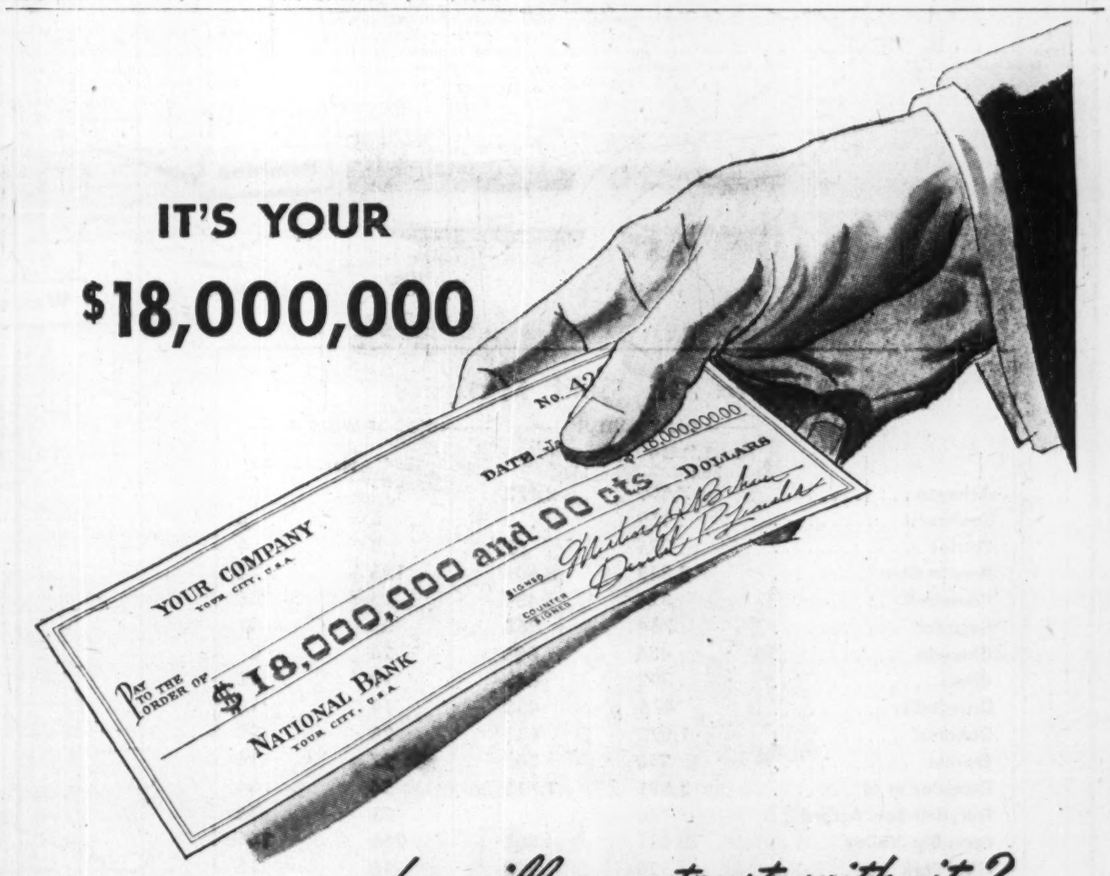

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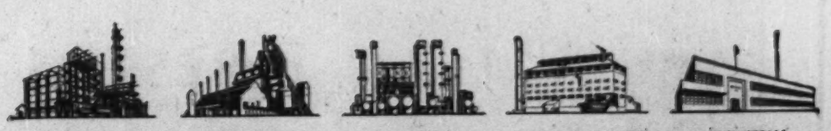
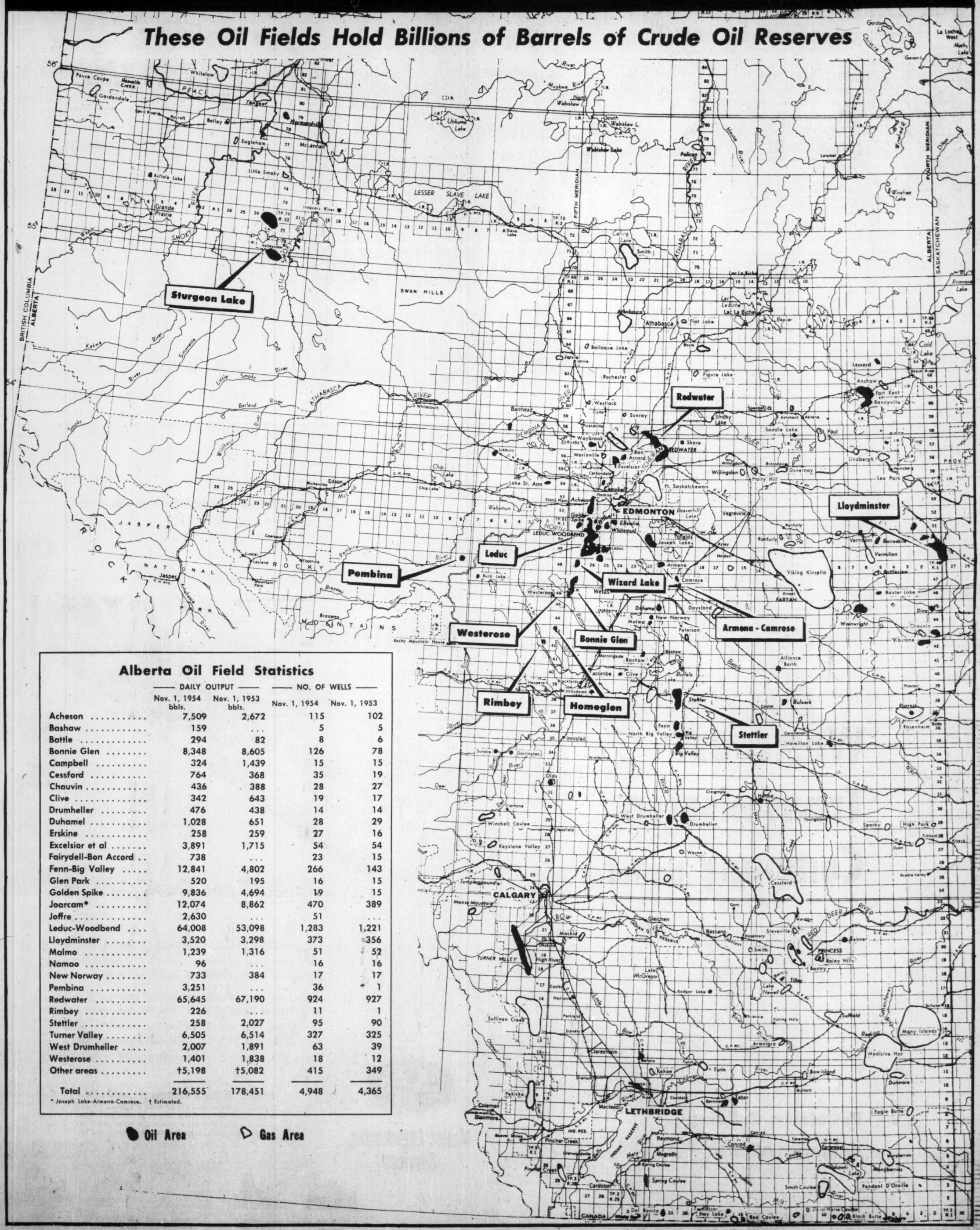


Alberta — "Canada's Texas"

These Oil Fields Hold Billions of Barrels of Crude Oil Reserves

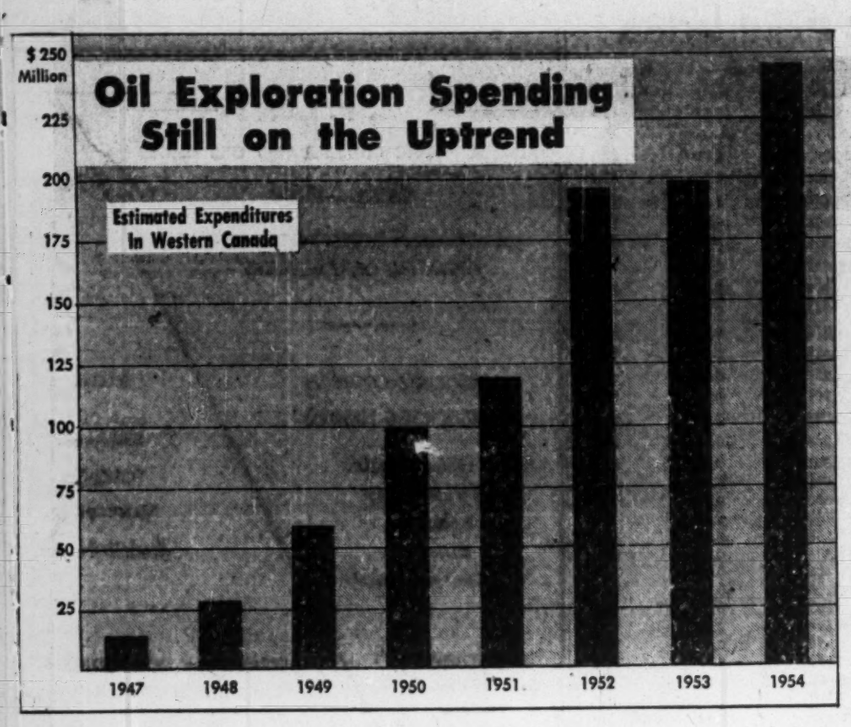


Alberta Oil Field Statistics

	DAILY OUTPUT		NO. OF WELLS	
	Nov. 1, 1954 bbls.	Nov. 1, 1953 bbls.	Nov. 1, 1954	Nov. 1, 1953
Acheson	7,509	2,672	115	102
Bashaw	159	...	5	5
Battle	294	82	8	6
Bonnie Glen	8,348	8,605	126	78
Campbell	324	1,439	15	15
Cessford	764	368	35	19
Chauvin	436	388	28	27
Clive	342	643	19	17
Drumheller	476	438	14	14
Duhamel	1,028	651	28	29
Erskine	258	259	27	16
Excelsior et al	3,891	1,715	54	54
Fairydell-Bon Accord	738	...	23	15
Fenn-Big Valley	12,841	4,802	266	143
Glen Park	520	195	16	15
Golden Spike	9,836	4,694	19	15
Joarcam*	12,074	8,862	470	389
Joffre	2,630	...	51	...
Leduc-Woodbend	64,008	53,098	1,283	1,221
Lloydminster	3,520	3,298	373	356
Malmo	1,239	1,316	51	52
Namao	96	...	16	16
New Norway	733	384	17	17
Pembina	3,251	...	36	1
Redwater	65,645	67,190	924	927
Rimbey	226	...	11	1
Stettler	258	2,027	95	90
Turner Valley	6,505	6,514	327	325
West Drumheller	2,007	1,891	63	39
Westerose	1,401	1,838	18	12
Other areas	†5,198	†5,082	415	349
Total	216,555	178,451	4,948	4,365

* Joseph Lake-Armena-Camrose. † Estimated.

● Oil Area ▷ Gas Area



Alberta Oil Probe Quickens

Exploratory Drilling Takes Sharp New Upturn

There's a sharp upturn in drilling activity now being experienced in Alberta where most of Canada's really great oil finds have been made.

Most of the expansion of drilling activity in Alberta has been in the exploratory phase.

In mid-November 150 of 223 drill rigs active in Western Canada were in Alberta. Of the 150 active Alberta rigs, 71—or almost half—were working on exploratory ventures. Active rigs in Alberta had shown an increase of 25% from the beginning of October while the number of exploratory tests had increased over 50% from 46 to 71.

After a relatively poor season, Alberta exploratory drilling is practically back where it was a year ago. Up to the end of October, 1,294,149 ft. of exploratory drilling had been done in Alberta during 1954 as against 1,420,034 ft. in the corresponding period of 1953.

Adverse weather conditions—with road bans imposed—was undoubtedly one of the big reasons for the decline in Alberta exploratory activity up until recently. With winter weather, freezing muskeg, and making it possible to move heavy equipment over roads, many companies will no doubt want to get exploratory wells under way which weren't regarded as feasible earlier.

With interest continuing to be focused on Pembina region drilling, a number of 1954 strikes have been made in Alberta which have received but little attention.

One of the biggest interest plays of 1954 has been in the Sturgeon Lake area of Peace River where productive area has yet to be completely delimited and where there are now estimated to be in the neighborhood of 150 million bbls. of recoverable oil.

But aside from extensions to known fields, Alberta has had strikes which could conceivably point the way to fairly sizeable fields as further drilling is done. Over a dozen strikes are worthy of special mention.

The discoveries have ranged from the Peace River to Southern Alberta.

In April, 1954, oil was found in the Iroquois River area, 170 miles northwest of Edmonton and 65 miles south of Peace River town. The discovery well was Great Plains-Triad Muskeg Gilwood 1-9 of Great Plains Development Co. and Triad Oil Co. The well, drilled on L.S.D. 1-9-73-18w5, was carried to a depth of 8,355 ft. and found 25 ft. of Basal Devonian sand pay, starting at 8,095 ft. Initial potential was 228 bbls. per day of 39 deg. gravity oil.

Reno Strike

Another northerly strike was at Reno, 200 miles northwest of Edmonton. Here discovery well Shell Reno 16-25 of Shell Oil Co. showed 80 ft. of pay zone in the Springburn zone of the Devonian with the pay zone starting at 6,710 ft. Located on L.S.D. 16-25-80-17w5, this well was completed early in March, 1954, and had an initial potential of 149 bbls. daily of 35.5 deg. gravity oil.

In the Blue Ridge area, about 68 miles northwest of Edmonton, Canadian Gulf Oil had a winner in its Gulf Blue Ridge 5-14 well (L.S.D. 5-14-58-8w5) which found a productive D2 zone in the Devonian with production casing set at 6,177 ft. Oil was on the relatively heavy side at 25 deg. API gravity. This find was made last April.

At Greencourt, 75 miles northwest of Edmonton, the team of Canadian Fina and Cities Service Co. found 80 ft. of pay zone in the Mississippian limestone topped at 5,005 ft. Oil of 25-30 deg. gravity was swabbed at a rate of 24 bbls. per day.

This region northwest of Edmonton has provided another of the more recent oil strikes. At a location about 17 miles east-northeast of the D2 Devonian discovery in Greencourt area, Canadian Gulf Oil Co. last month found 28 deg. API gravity oil in the Detrital formation immediately above the Mississippian well at Gulf Thunder Lake 9-9 well (L.S.D. 9-9-59-5w5). Unofficial reports spoke of a flow of 20 bbls. hourly from the interval from 3,877 to 3,945 ft.

West of Edmonton, the Cardium has given up oil in another area not related to the Pembina region. At Peers, 85 miles west of Edmonton, and 28 miles east of Edson, Shell Oil Co.'s Shell Peers Strat Test 2 (L.S.D. 11-16-53-12w5) secured a rise of 500 ft. of clean light oil in the Cardium, between 4,900 and 5,003 ft. There was also a showing of oil in the Viking formation somewhat lower down (5,935 ft. to 5,973 ft.).

One of the better Alberta 1954 strikes was the Wimborne discovery 15 miles southeast of Innisfail and 60 miles north-northeast of Calgary. Discovery well here was Seaboard Banff Wimborne 7-9 well completed in September, 1954, on L.S.D. 7-9-36-26w4. A pay thickness of 31 ft. was opened in the D3 zone of the Devonian with top at 7,440 ft. Initial potential was 350 bbls. daily of 38-deg. gravity oil. This strike was shared by Seaboard Oil Co., Honolulu Oil Corp., Merrill Petroleums and Canadian Collieries through its subsidiary, Cancoll Oil & Gas.

Garrington Well

A Cardium discovery of considerable interest was made at Garrington, 65 miles northwest of Calgary, last April. Discovery well, Superior et al Garrington 11-7 (L.S.D. 11-7-35-4w5) was drilled to 6,985 ft., opened 90 ft. of pay in the Cardium starting at 6,889 ft. Initial potential was 100 bbls. daily of 41.5-deg. gravity oil. Ownership of the well was shared by New Superior Oils of Canada, General Petroleums of Canada, Altex Oils, Anglo-Canadian Oil Co., Calgary & Edmonton Corp. and Security Freehold Petroleums.

On a 5½-section farmout from Hudson's Bay Oil & Gas, a group headed by Amurex Oil Development Co. and associated with Richfield Oil Corp. of California found oil in the Hespero area. Initial well was located on L.S.D. 2-32-38-3w5. The well which was taken down to 8,987 to test the D3 zone found medium gravity oil in the Mississippian formation and light oil in the D2 zone of the Devonian. A second follow-up well flowed oil at the rate of 128 bbls. daily of 42-deg. gravity crude from the interval 8,679 ft. to 8,685 ft.

In the Buffalo Lake area, of far North Alberta, the Sinclair-Banff Oil team made a light gravity crude strike on a 99,860-acre farmout from Phillips Oil Co. and Canada Oil Lands. A first well proved a gasser but a second well (L.S.D. 7-26-74-8w6) returned a moderate gas flow and oil of 49-deg. gravity from the Permo-Pennsylvanian formation at 7,690 ft. Drilling was continued. Banff has a 25% interest down to and including the Cretaceous and 15% below that formation including the Permo-Pennsylvanian.

At Badger Lake, 25 miles southwest of Brooks, 26-deg. gravity oil was discovered by the team of Scurry Oil, Anglo-Canadian Oil Co., Calvan Consolidated Oil & Gas, Canada Gas Lands, Calgary & Edmonton Corp. and Security Freehold Petroleums. Well location was L.S.D. 7-5-17-18w4. The well was completed in May, 1954, at 5,190 ft. There was estimated to be 25 ft. of upper porous and 10 ft. to 15 ft. of lower porous water-free zone in the Madison limestone which was topped at 3,975 ft.

A Viking sand discovery was made five miles northeast of Red Deer and 85 miles north of Calgary. The discovery well Imperial Red Deer (L.S.D. 5-5-39-26w4) was completed by Imperial Oil in July, 1954. There was 10 ft. of net pay in the Viking sand just below 5,000 ft.

Hudson's Bay Strike

A Mississippian limestone oil strike was scored by Hudson's Bay Oil & Gas a little over a month ago in the Sundre area about 60 miles north-northwest of Calgary. Early reports said that 50 ft. of pay zone above the water level was expected. Initial potential of 1,368 to 1,824 bbls. per day were reported with some formation water recovered. This well was located on L.S.D. 1-4-34-5w5, 22 miles west-northwest of Olds, 8½ miles southwest of Garrington Cardium oil production and about eight miles west-northwest of Shell's West Olds A-16-15 Mississippian wet gas discovery. After getting this flow of oil, coring to greater depths below 9,000 ft. continued.

The Granada-Chip Lake venture of Oilwell Operators et al which found oil in the Basal Quartz horizon the latter part of September is reported as an indicated commercial success. After treatment, this well has returned modest amounts of 38-deg. gravity oil. Location is about 70 miles due west of Edmonton and 3¼ miles east-northeast of the Select Oils-Chip Lake No. 1 gas discovery. The well was drilled on an eight-section farmout acquired from New Continental Oil Co. of Canada, Select Oils, and Henderson Oil Holdings. Drilling costs were supplied by Oil Operators (Home Oil, Federated and Alminex) and Trinidad Leaseholds (Canada).

In the Greenglade section, 10 miles southeast of the Chauvin field, Shell Oil Co. has reported an 18-deg. gravity crude discovery in its Greenglade A-8-17 well completed last February. Total depth was 2,951 ft. There was 10 ft. of pay in the Colony sand topped at 2,725 ft.

Another 1954 heavy crude strike was the 17-18-deg. gravity oil find in the Jenner area, 60 miles northwest of Medicine Hat and 125 miles east of Calgary. Discovery well was Western Leasehold's Western Jenner 12-10 well on L.S.D. 10-12-22-9w4, completed in July. Production casing was set to 3,320 ft.

Much of exploratory attention in 1954 was, of course, given to the Pembina region, resulting in the Buck Lake and Rocky Mountain House discoveries in that area.

Here's How Oil Firms Are Doing

New Continental

New Continental Oil Co. has been making strenuous efforts to consolidate its position through farming out acreage interests to others for development rather than the undertaking of exploration programs for the company's own account.

Among the companies with which deals have been made for acreage development have been Oilwell Operators, Trinidad Leaseholds, Hudson's Bay Oil & Gas and Union Oil Co. of California.

In March, New Continental had interests in 73 oil wells and three gas wells in Leduc, Turner Valley, Bonnyville and Boyle areas of Alberta and Midland, Texas. Royalties were also held in 71 wells equal to 53 net wells in the Turner Valley field and 20 wells equal to eight wells net, in the Leduc field.

During the last company year, investment in advances to subsidiaries were written down by $3,010,937 with the company's investment in Texas-Alberta Oil Corp. now carried at $1.

The Texas-Alberta subsidiary recommenced operations on Dec 16, 1953, but production of the Spraberry fields have continued to decline since the field was reopened. Negotiations have resulted in a major reduction in the company's liability with respect to this investment.

The company has also been released from its obligations in Israel and has received back in full its entire investment made.

New Continental holds 100,000 shares of Israel Continental Oil Co.

While there was a loss of $125,429 in the year ended March 31, 1954, a net profit of $37,022 was reported for the three months ended June 30, 1954, after depletion and depreciation of $71,327.

Balance sheet as at March 31, 1954, showed current liabilities of $663,895 as against current assets of $216,957. There was no funded debt but $50,127 was due to subsidiaries.

Ponder Oils

Ponder Oils Ltd. has obtained the right to explore the townsite of Virden, Man., for oil, will participate in a wildcat in the Brazeau area of the Alberta Foothills, and is providing its share of costs of developing a 400-acre tract in Northern Montana.

On the Montana holding a 50% interest is held in five successful oil wells and the sixth well is under way. A similar share is held in five other oil producers in the same area. In Texas a stake is held in three wells in the Mungerville field and in Borden County, and in undeveloped offsetting acreage.

In Alberta the company has a half interest in five Moulton sand oil wells in the Red Coulee field just north of the Montana border, and has a 25% and 50% share in 13 Leduc oil wells. A successful program of preliminary exploration has been completed on seven permit areas in the Athabasca Tar Sands, and methods of economic extraction are being studied.

Royalty interests are owned on acreage in the Bonnie Glen field of Alberta, on which at least 12 oil wells are located. A wholly owned subsidiary owns and operates three drilling rigs. Proven oil reserves were estimated at two million bbls.

Only 1,979,700 shares are issued out of four million shares authorized, while funded debt consists of $1,397,000 (at Dec. 31, 1953) of 5% convertible debentures due 1965. A further $300,000 of 5½% convertible notes, due 1965, have been created but not as yet issued.

New Bristol

New Bristol Oils has a stake in about 120 oil producers in Alberta and Texas, from which it is receiving a production of approximately 12,000 bbls. per month, and has just acquired prospective uranium and lithium properties.

Early this year the company acquired net working interests of from 9% to 38% in 2,343 acres in Texas, containing 53 producing oil wells. Consideration was $700,000, payable as to $250,000 when the deal was closed, $150,000 from a short-term loan and $300,000 repayable $11,323 minimum per month. Prior to this, interests from 9% to 43% had been purchased in 39 oil wells for $50,000 cash and assumption of production loans totaling $405,000.

In Kentucky the company has one-third share in 347 acres which, with adjoining properties, contain about 70 older oil producers, for which a water-flood secondary recovery operation is planned. Such treatment is also being applied to 14 wells in Illinois, where the company has 6% interest acquired for $225,000. Total crude oil reserves accruing to New Bristol are estimated at 1.8 million bbls.

Late this year the company acquired mining claims in New Brunswick, northwestern Quebec and in the Blind River area of Northern Ontario. A company is to be formed to handle exploration of the Elliott Lake claims in the Blind River uranium camp.

More than $1 million has been received this year through sale of treasury stock. Under an offering of one million shares being made at the market in the U. S., about 72,000 shares have been sold at prices ranging from $1.05 to $1.44 a share, less 20% commission. There are now 1,799,520 shares outstanding out of three million shares authorized.

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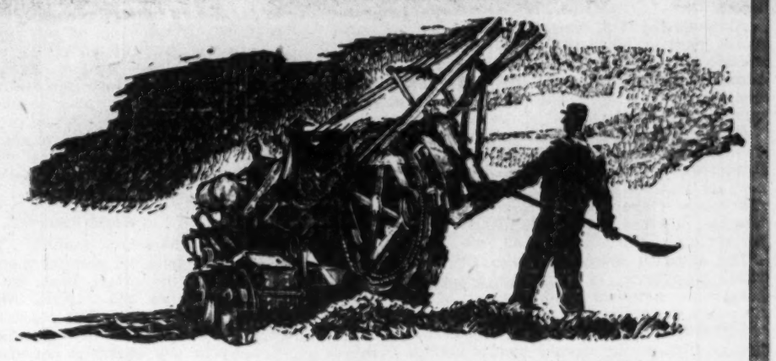

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Where Canada Fits On World Oil Map

Oil is a key factor of world politics as well as world economics.

Although the U S. remains the world giant of oil, both in production and consumption, it has become plainer during 1954 that the Middle East may one day outstrip U. S. production.

Oil men—and western statesmen—taking a long look into the future are not overjoyed to remember that the Middle East, a few hours plane journey from Moscow, now has nearly 60% of the world's proven reserves of oil.

The situation emphasizes the vital importance of Canada's burgeoning petroleum industry. By world standards, the industry is still only a child with production at 1.7% of the world's and reserves at 1.33%. But there are indications that Western Canada has an immense future strategic importance with its fabulous oil sands.

On a world basis, 1954 was another good year for oil.

At the end of 1953 there were pessimistic rumbles from some experts that world production was outstripping demand, that the re-entry of Iran into world markets would cause economic trouble, that the industry (particularly in U. S. and Venezuela) would have to sharply curtail production to avoid price chaos.

It is now a happy historical fact that none of these things happened, although both the U. S. and Venezuela, the world's No. 1 and No. 2 producers, did not maintain their customary yearly increases in production. Throughout the world, the oil industry was optimistic and buoyant.

The Problem of Iran

Much of this optimism was founded on the industry's appreciation of its own extraordinary flexibility. When Dr. Mossadegh threw out Anglo-Iranian, serious shortages were expected. But Saudi Arabia and Kuwait production figures were lifted enormously and Iran's oil was not missed. Instead it cost Mossadegh's country $500 millions in lost royalties.

Economically, therefore, and to a certain extent politically, the outstanding event of the year was the signing on Aug. 5 of an agreement to restore Iranian oil to world markets. The agreement was signed by the Government of Iran and by the representatives of a group of international oil companies that have undertaken to restore local oil production. There is little fear that this group will not be able to gradually ease Iran back into the international picture — with no harm to other producers.

Although production outstrips demand, and has done so since 1947, oil men look for progressive increases in consumption in many parts of the world. One estimate says that by 1960, Canadian motor vehicle registrations will have jumped 50% to 4.5 million. "And we don't expect those cars and trucks to be running on atomic energy, either," said an oil chief recently.

One oil executive reported recently that the standard of living of any nation can be gauged by how much oil it uses. "As far as the industry is concerned," he said, "the standard of living in Europe and the East can be raised out of sight—and will be."

The Sheikdom of Kuwait, for instance, has been lifted by its bootstraps from grinding poverty to great prosperity in a matter of a few years. Local consumption of oil has increased tenfold. In Saudi Arabia, consumption of petroleum per capita was 0.07 bbls. in 1948. Five years later, thanks to prosperity brought about by the oil industry, consumption had rocketed 250% to 0.3 bbls. per capita.

Potential Growth Areas

While the Middle East is emerging as the great producer, the fastest growing consumer areas of the world are neither the U. S. nor Canada. Europe, the Far East and Oceania, have increased consumption in the last 12 months by close to 10%, compared with the world increase of 5.5% and the U. S. A.'s increase of only 3.8%.

These three great areas of the world are regarded as being potentially capable of enormous increases in consumption.

In other parts of the world, the year has been notable for what may be the most important oil discovery in Western Europe. On Mar. 13, 1954, at Parentis-en-Born, near the Bay of Biscarosse, oil of acceptable quality was struck at 7,400 ft. This success, which has eluded French drillers for many years, brought in its wake a tremendous rush of applications for concessions to cover the remaining portions of metropolitan France.

In the same year, there was wild delight in Cuba when Cubans saw a possibility their country might be released at last from total dependency on sugar exports. At 1,072 ft. in a sugar cane field at Jatobonico, a drill team struck commercial quantities of oil. People danced for joy in the streets. The well, Echevarria No. 1, is already being hopefully called "Cuba's Leduc."

Statistically, production of oil was being increased much faster than consumption by the end of 1953 but prospecting and discovery went on through the world with unflagging vigor.

Commercial oil was discovered in Australia for the first time and promised startling changes to a country which has always been embarrassed and economically retarded by its lack of petroleum. Sicily got its first productive oil well and new fields were discovered in Germany, Holland and Northeastern India.

World Reserves

The search continues. Drilling is going on now for more fields in the desert sands of Egypt, Tunisia and Algeria. Alaska is being tested. The possibilities of discovery of new gigantic fields in any region is not discounted by oil executives.

Few things are as important to the world as oil. From 541,000-odd oil wells throughout the world, a complex network of tankers, pipelines, pumping stations, and refineries maintain an annual 6.6% increase in production. This increase has been steady for 60 years.

For the last couple of decades, figures have proved that certain countries must run out of oil within years. At the moment, the U. S. has 12.3 years of known oil left underground. But reserves have always been located faster than production. The lives of some fields have been re-estimated a dozen times.

In fact, world reserves have grown to nearly 720 billion bbls. —a five-time growth since the '30s. The location of these reserves and the location of current consumption is important. On present estimated figures, the U. S. has a little more than 20% of world reserves while the Middle East has nearly 60%. The Western Hemisphere has been providing approximately 70% of world requirements while having only 30% of all proven reserves.

Continuation of this imbalance can only mean a gradual world dependency on the Middle East for oil, unless important finds are made elsewhere.

Crude Petroleum Reserves
Billions of Bbls.

Middle East:	
Saudi Arabia	30
Kuwait	22
Iraq	14
Iran	13
Others	2
U. S. A.	28.9
Venezuela	10.1
U. S. S. R.	9.8
Canada †	3.3

† Proven reserves somewhat less.

American realization of limitations of local resources and by the country's own mighty financial powers. It has about $3.5 billions invested overseas (owning half of non-U. S. production) divided among the Middle East, Venezuela and Canada.

The oil industry is one of giants. Only giant companies with interlocking associations are usually capable of successfully dealing in world oil. Seven companies produce half of all oil turned out. They are Standard Oil (New Jersey), Royal Dutch (Shell), Gulf, Texas, Standard Oil (California), Anglo Iranian and Socony-Vacuum.

Five of these companies are American, a natural state of affairs brought about both by

But what of the Canadian picture? Is wild optimism still justified when describing it?

President of British American Oil Company Ltd., Ole Berg, warned oil men recently, "The Canadian oil business is a long range operation, not a get-rich-quick proposition."

However, his warning carried no overtones of conservatism. He added that oil could boost the western provinces into economic development that could make them rivals to the eastern provinces.

As in Kuwait and Saudi Arabia, oil in Western Canada is creating prosperity.

"Within two or three years," Imperial Oil's President John R. White said recently, "the market for Prairie oil may be two or three times its present size." It will bring about immense new opportunities for business and labor and save foreign exchange.

The Soviet Outlook

Russian oil may complicate European markets. Soviet surplus oil supplies jumped 60% during 1953 and promise to become higher yet. Latest reports this year indicate that Russia has trade commitments with the West which, if fully realized, would send 80,000 bbls. of Soviet oil a day into Western countries.

Till now, it has been estimated that most of Russia's oil has gone to her armed forces or has been stored. Present production, between one million and 1.5 million bbls. a day, is small by western standards. But some oil operators are perturbed at the speed and determination with which the Russians are finding new fields and developing them. The fastest expanding fields and refineries are in the Arctic along with new air bases. Oil field are being developed in all other parts of the country.

Some observers say that Soviet oil could be used as a political weapon as it has already undersold western oil.

While the lush Middle Eastern oil wells are under the shadow of disturbed Eastern affairs, oil operators in North America understand the implications of another war. For both U. S. and Canadian oil industries, the future requires maintenance of a prosperous industry, and a careful evaluation of reserves. The burden on Canadian effort in any future crisis could be not only enormous but strategically vital.

Global Oil Reserves and Production

Continent and Country	Estimated Reserves: Thousands of Barrels	Estimated Reserves: % of World	Annual Production: Thousands of Barrels	Annual Production: % of World	Ratio Reserves to Prod.
North America	**32,192,250**	**23.22**	**2,514,114**	**52.87**	**12.8**
Alaska	500	0.00	.....	.....	....
Canada	1,845,422	1.33	80,902	1.70	22.8
Cuba	1,500	0.00	36	0.00	41.7
Mexico	1,400,000	1.01	73,178	1.54	19.1
United States	28,944,828	20.88	2,359,998	49.63	12.3
South America	**11,434,124**	**8.25**	**756,539**	**15.91**	**15.1**
Argentina	275,000	0.20	28,469	0.60	9.7
Bolivia	10,000	0.01	602	0.01	16.6
Brazil	40,000	0.03	946	0.02	42.3
Chile	40,000	0.03	1,273	0.03	31.4
Colombia	400,000	0.29	39,428	0.83	10.1
Ecuador	26,000	0.02	2,964	0.06	8.8
Peru	225,000	0.16	16,291	0.34	13.8
Trinidad	280,000	0.20	22,322	0.47	12.5
Venezuela	10,138,124	7.31	644,244	13.55	15.7
Europe	**10,958,075**	**7.91**	**452,822**	**9.52**	**24.2**
Albania	20,000	0.01	1,000	0.02	20.0
Austria	200,000	0.15	20,500	0.43	9.8
Czechoslovakia	7,000	0.01	750	0.02	9.3
France	35,000	0.03	2,558	0.05	13.7
Germany	317,075	0.23	15,508	0.33	20.4
Great Britain	4,000	0.00	403	0.01	9.9
Hungary	40,000	0.03	3,500	0.07	11.4
Italy	5,000	0.00	655	0.01	7.6
Netherlands	100,000	0.07	5,698	0.12	17.5
Poland	20,000	0.01	1,750	0.04	11.4
Rumania	400,000	0.29	34,000	0.71	11.8
U. S. S. R.	9,800,000	7.07	365,000	7.68	26.8
Yugoslavia	10,000	0.01	1,500	0.03	6.7
Africa	**142,000**	**0.10**	**17,899**	**0.38**	**7.9**
Algeria	4,000	0.00	638	0.01	6.3
Egypt	130,000	0.09	16,499	0.35	7.9
Morocco	8,000	0.01	762	0.02	10.5
Asia, Total	**83,888,500**	**60.45**	**1,013,755**	**21.32**	**82.7**
Asia, Middle East	**81,125,000**	**58.53**	**885,358**	**18.62**	**91.6**
Bahrain	250,000	0.18	10,980	0.23	22.8
Iran	13,000,000	9.38	9,390	0.20	1,384.5
Iraq	14,000,000	10.10	210,672	4.43	66.5
Kuwait	22,000,000	15.87	314,593	6.62	69.9
Neutral Zone	300,000	0.22	.....	....	....
Qatar	1,500,000	1.08	31,248	0.66	48.0
Saudi Arabia	30,000,000	21.64	308,295	6.48	97.3
Trucial Coast	50,000	0.04	.....	....	....
Turkey	25,000	0.02	180	0.00	138.9
Asia, Far East	**2,763,500**	**1.99**	**128,397**	**2.70**	**20.7**
Burma	45,000	0.03	750	0.02	60.0
China	25,000	0.02	730	0.02	34.2
India	46,000	0.03	1,950	0.04	23.6
Indonesia	1,900,000	0.37	70,145	1.58	25.3
Japan	60,000	0.04	2,106	0.04	28.5
New Guinea	100,000	0.07	1,753	0.04	57.0
Pakistan	22,000	0.02	2,085	0.04	10.6
Sakhalin	65,000	0.05	7,000	0.15	9.3
Sarawak-Brunei (Br. Borneo)	500,000	0.36	36,855	0.77	13.6
Taiwan (Formosa)	500	0.00	23	0.00	21.7
Australia-New Zealand	**1,000**	**0.00**	**2**	**0.00**	**500.0**
TOTAL, WORLD	**138,615,949**	**100.00**	**4,755,131**	**100.00**	**29.2**

Source: World Oil.

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EBOR
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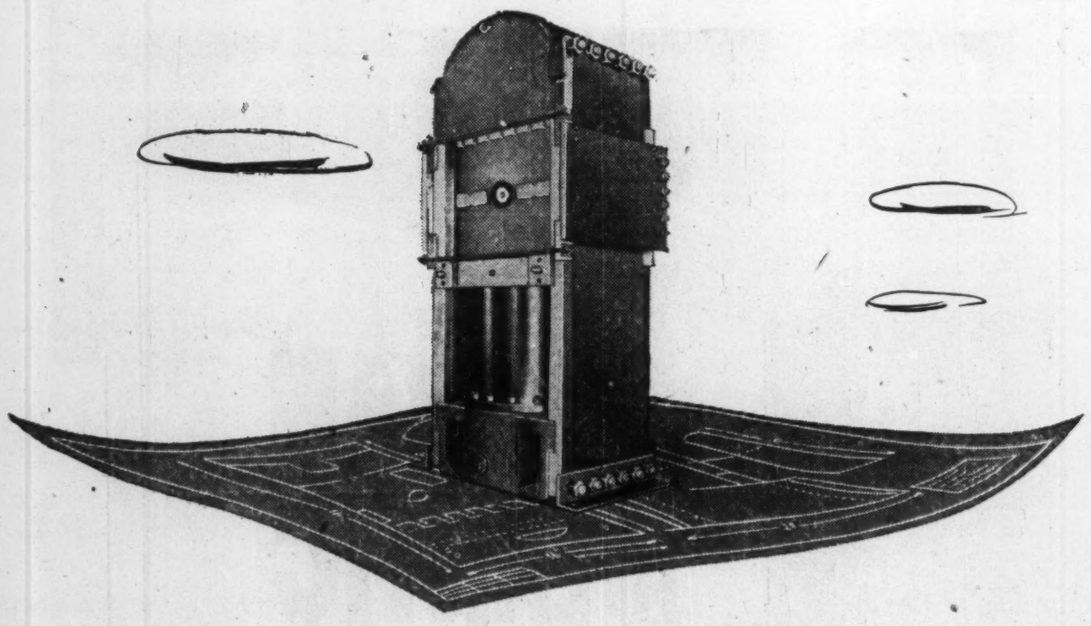
In Manitoba

1954

ALBERTA PACIFIC CONSOLIDATED OILS LIMITED
INCORPORATED 1914
302 TORONTO GENERAL TRUSTS BUILDING
CALGARY, ALBERTA



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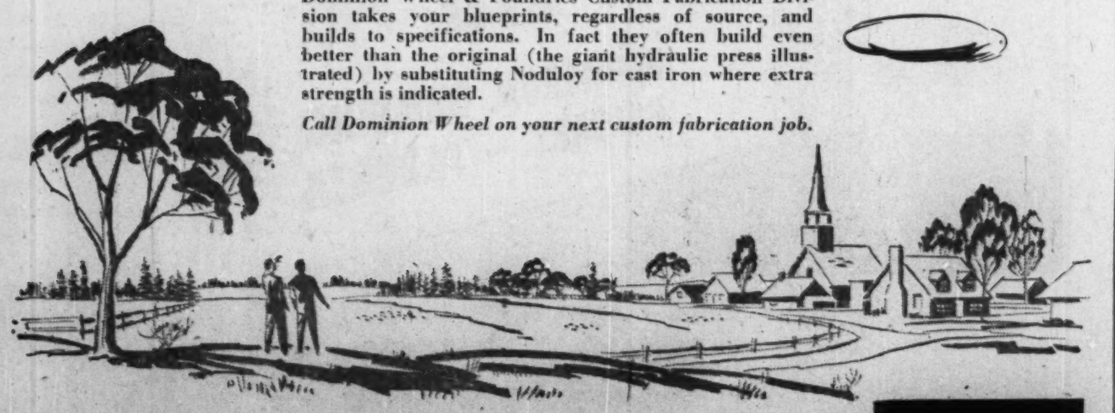

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New drawworks has more horsepower

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THIS new N-95 drawworks, built by The Brewster Company, Incorporated, has all the features that have made Brewster rigs famous. And it has the added advantages of greater horsepower, bigger main drum and heavier construction for deeper drilling. Another big plus is that the N-95 is equipped with Timken bearings. That means longer life and less chance of breakdowns even under the toughest drilling conditions.

With Timken tapered roller bearings under sprocket hubs, the sprockets run true and trouble free. The tapered construction of Timken bearings enables them to take radial and thrust loads in any combination. Friction is virtually eliminated due to the fact that Timken bearings are designed, by geometrical law, to have true rolling motion. And because they're made to extreme limits of precision to deliver the low friction made possible by this design. To get steel good enough for Timken bearings, we make our own. We're the only U. S. bearing manufacturer who takes this extra quality precaution.

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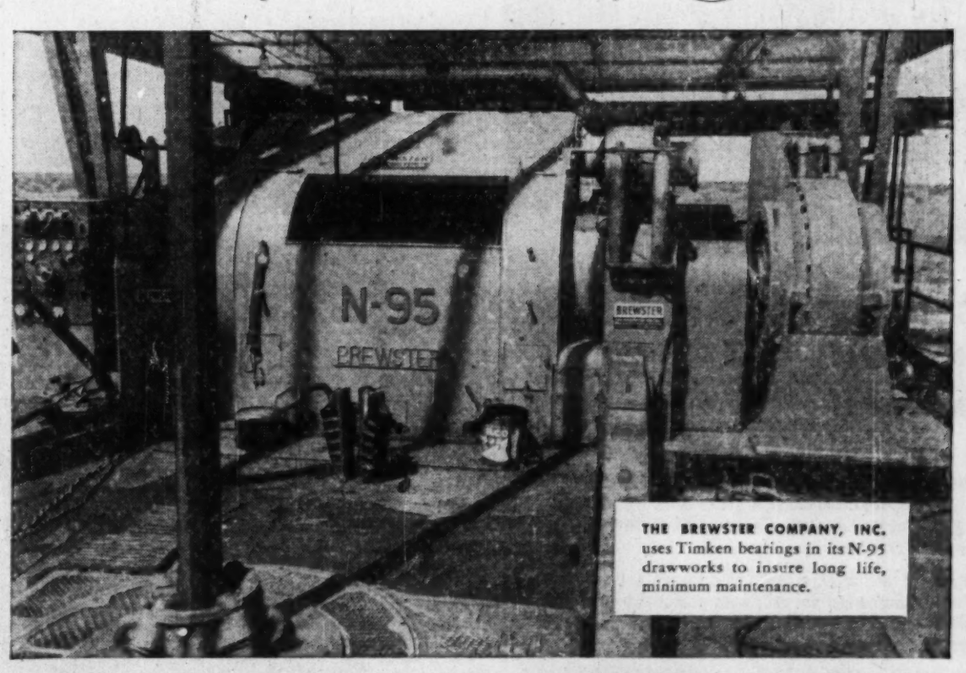
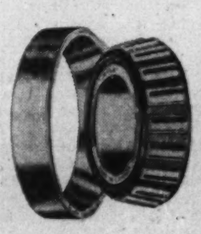


THE BREWSTER COMPANY, INC. uses Timken bearings in its N-95 drawworks to insure long life, minimum maintenance.



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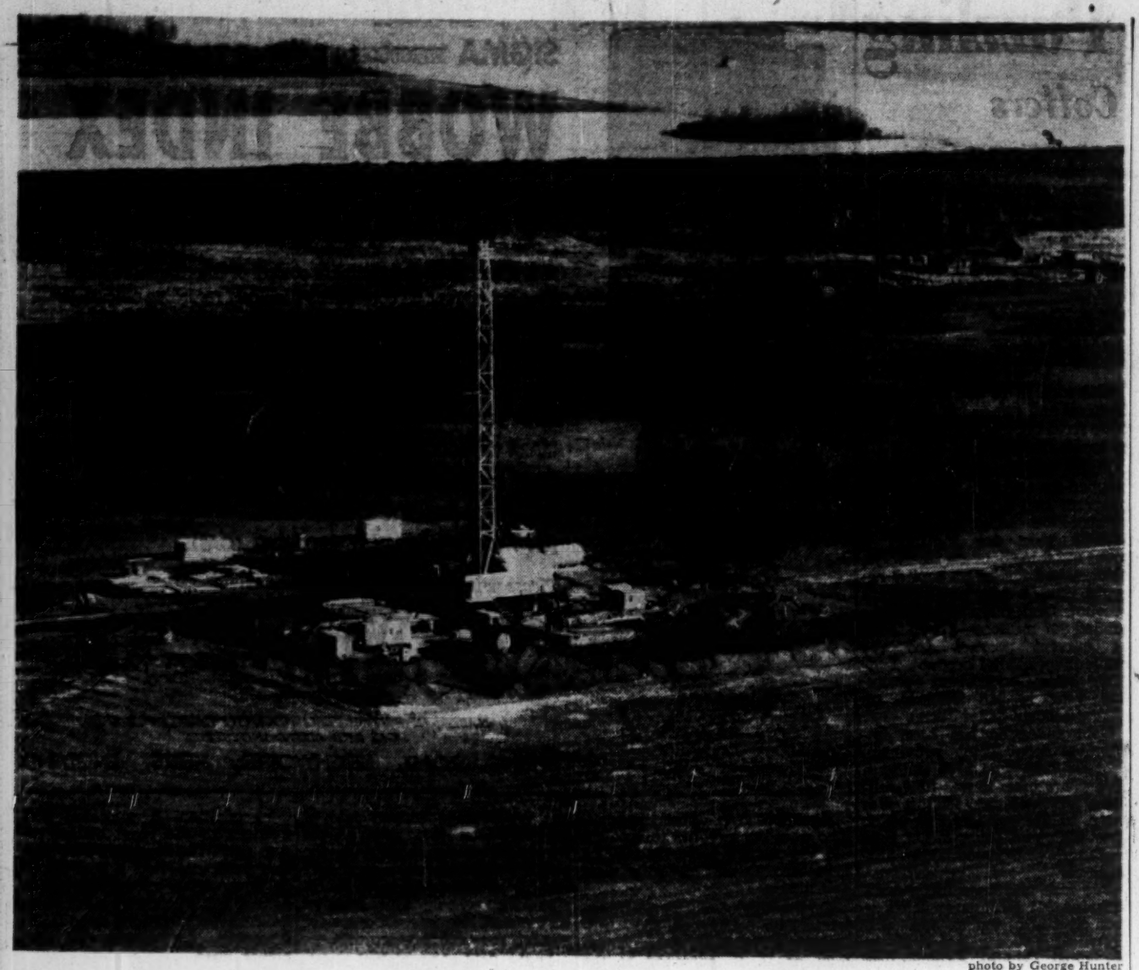

photo by George Hunter

NEW SKYSCRAPERS on the Prairies are the drill rigs, tall and straight in the grain fields.

Drilling, Financing, Output Record

Cdn. Brit. Empire

Shareholders of Canadian British Empire Oil Co. on Aug. 5, 1954, approved a change of name from British Empire Oil Co., reorganization of capital from five million shares of $1 par value to 10 million shares of 10c par value, and acquisition of the assets of Arrow Drilling Co. of Tulsa, Okla.

Old stock of British Empire was exchanged for new stock on the basis of one new share for each five old shares held. Then four million new shares were issued to Arrow for its assets.

Following these changes the new company holds interests in oil production in Alberta, Illinois and Oklahoma, owns and operates 24 drilling rigs in Canada and the United States, and holds large tracts of undeveloped lands in Western Canada, Oregon, Oklahoma, Illinois and Texas. Investment portfolio includes 250,000 shares of Trans Empire Oils Ltd. and a one-third interest in McIntyre & Webster Drilling Co.

Total combined assets of Canadian British Empire and Arrow Drilling were reported to be $8,736,900. Current assets amounted to $1,770,990 and current liabilities were $962,600. In October of this year approximately $400,000 was added to the treasury through sale of 400,000 shares.

Reserves of the company prior to the acquisition of Arrow were estimated at 956,500 bbls. of oil and 120 million cu. ft. of gas. These were augmented to an unstated extent by the addition of Arrow's interests in production.

Okalta Oils

Okalta Oils has shown a modest profit each year since 1947 with net amounting to $14,320 after allowing for over $250,000 of write-offs in 1953.

Largest shareholder in the company is reported to be Jasper Oil Corp. which acquired 300,000 shares, 19% of the company's outstanding stock, last August. Since then Jasper has offered to exchange its own shares on a share-for-share basis to Okalta shareholders.

No large development program has been carried on by the company in 1954 but there has been appreciable improvement in the company's working capital position. Net working capital at the beginning of 1954 amounted to $564,403 with cash in the bank amounting to $336,689. By mid-October, cash on deposit amounted to over $519,000. The company has no funded debt and had no outstanding indebtedness at that time other than current monthly operating expenses and certain sums payable to Wartime Oils and only payable out of production returns.

Altogether, the company is reported to have participations in 37 Leduc and Turner Valley wells plus interests in 25 other producing wells in Turner Valley.

Petrol Oil & Gas

A direct interest in 17 light oil wells in Alberta and 36 producing gas wells near Brantford in southwestern Ontario is held by Petrol Oil & Gas Co., plus undeveloped acreage in Alberta and Saskatchewan.

In addition a wholly owned subsidiary has a share in 55 oil producers in Texas, from which its income is running at approximately $34,000 per month. Leases are also held on more than 25,000 acres in Nebraska, Texas, Ohio and Oklahoma.

A pilot water-flood operation is being tried out on company lands in Clay and Jack Counties, Texas, to test for secondary recovery of oil. If successful the operation would increase the company's reserves, now estimated at about 1.2 million barrels.

Gross consolidated income of the company and its subsidiary was calculated at $106,847 for the second quarter of 1954, or about $80,000 after production expense and administration costs. Approximately $20,000 is being paid each month toward retirement of obligations. Cash position was reported to be about $200,000 at Sept. 1, 1954.

Albermont

Albermont Petroleums is taking an active share in development of farmout lands in Toole County, Montana, where the company and its partner have successfully completed a number of oil wells in the Moulton sands at approximate depth of 2,500 ft. Drilling has also begun on their recently-acquired State Lease, adjoining other production in the area. Albermont has 50% in this tract and 25% in the other wells.

A 2 1/3% carried interest is held by the company in a 100,000-acre reservation block in the Sturgeon Lake area of northwestern Alberta, being explored at no cost to Albermont by Hudson's Bay Oil & Gas and Union Oil of California. Two wells in the northern sector of the tract found light oil in commercial quantities in the Devonian D3 zone; initial potential of one well was 4,476 bbls. daily. Another venture a few miles to the south was dry.

Company also holds a stake in 16 oil producers in the Leduc field and in 13 other wells in Alberta and four in Oklahoma, plus a share in 898 acres in Texas, production from which is unitized. Company paid $1.6 million for this last lease.

Kroy Oils

Chief source of revenue for Kroy Oils is its stake in 75 light oil producers in Alberta's Joseph Lake field, while a share is also held in 13 more oil wells and nine gas wells in that province and Saskatchewan. All the gassers are shut in awaiting a market.

During the past year and a half the company has participated in drilling 33 wells, including 12 new exploratory projects. This resulted in nine oil and six gas wells, while 17 ventures were dry.

Evaluation of the Kessler field in east-central Alberta is being shared by Kroy. There are now two Viking sand oil wells and six gas wells on the 60,000-acre spread and development is continuing. Largest gas completion rated an open flow of 67 million cu. ft. per day. Company's interests in the program range from 12½% to 20%.

Gross reserves are reported at 2.85 million barrels of oil and six billion cu. ft. of gas. A 20% share interest is held in Edmonton Pipe Line Co., which operates a crude oil pipe line from the Joseph Lake, Armena and Camrose fields to Edmonton.

Pathfinder

Expansion of its oil and gas interests was accomplished this year by Pathfinder Petroleums through the acquisition of four other oil companies. Negotiations are under way for the purchase of another, Legion Oils Ltd.

Assets of the four companies were acquired via an exchange of shares on the basis of one Pathfinder share for two shares of Ashmont Petroleums, or five shares of Rundle Petroleums, or 4.71 Jet Oils shares or four shares of McDougall-Segur Exploration Co. of Canada. The deals involved the issuance of nearly three million Pathfinder shares.

Following these mergers, the company now holds varying interests in nearly 40 oil producers and a number of shut-in gas wells in Alberta, and in more than 1.5 million acres of leases and reservations in the four Western Provinces, Montana, North Dakota and Nebraska.

Most of the oil wells are in the Redwater, Leduc, Joseph Lake and Armena-Camrose light gravity oil fields, while the company's gas holdings are scattered from the Peace River area of Northwestern Alberta to Etzikom in the southeastern sector of the province.

Del Rio Producers

Del Rio Producers shared in the drilling of one development well and seven wildcat ventures in the year ended July 31, 1954. The development well was completed by Imperial Oil in the Armena field and placed on pump production.

Of the exploratory wells, four were put down by Socony-Vacuum on a 400,000-acre farmout tract from the company and Central Leduc Oils in southern Saskatchewan. All were abandoned, but valuable geological information was secured by the group. Company and Central Leduc are jointly drilling a well on the lands in the Ralph area, while Socony is to provide costs of a test of the Nisku formation at Newlands.

On 15,300 acres in the Cynthia area just to the northwest of Alberta's Pembina field, Stanolind made a discovery of light oil in commercial amounts in the Mississippian limestone. The Cardium sand, which produces most of the oil at Pembina, was here found to be too tight for production. Del Rio retained a 2½% gross overriding royalty on all production from the block.

Company holds interests in about 25 oil producers and five capped gas wells in Alberta, and in two small oil wells in the Ratcliffe area of southern Saskatchewan. It is affiliated with Central Leduc Oils Ltd. in most of its activities.

Calvan

Calvan Consolidated Oil & Gas held an interest in 104 oil wells and 24 gas wells at Sept. 30, 1954, equivalent to net ownership of 37.7 oil and 6.4 gas wells. In addition, through subsidiaries, has a 55% stake in 136 oil wells in Illinois undergoing secondary recovery treatment and in two wells on primary production.

In the first nine months of this year the company joined in drilling five oil wells and four gas wells, while 15 ventures were abandoned. Acreage held totaled 1,413,403 gross acres of leases, equivalent to 423,447 net acres, and 3,564,190 gross acres, equal to 884,781 net acres, of reservations.

Arrangements have been made for two British Columbia permits of 100,000 acres each to be explored by others at no cost to Calvan. The operators will earn 50% interest in the lands when Permo-Penn tests have been drilled. A half interest in 20,000 acres in the West Calgary area will be assigned to Canadian Fina Ltd. upon the drilling by that company of a Mississippian test to about 9,700 ft. depth.

A drilling program to test gas rights in the Provost field has been started by the company, which previously completed four Viking sand gassers on the tract. This field is expected to be one of the first to be connected to the gas pipe line to Eastern Canada.

An offer to acquire their shares is to be made to shareholders of the company by Canadian Petrofina Ltd. Purchase would be effected through an exchange of stock on the basis of six participating preferred shares of Petrofina for 17 Calvan shares. The offer will be made contingent upon acquisition of Petrofina of at least 51% of the Calvan stock.

Total income of the company for the first nine months of 1954 amounted to $1,329,100, including production revenue of $1,276,200.

General Pete

General Petroleums of Canada operates as a contract drilling concern in addition to exploring for and producing oil and gas. It operates 14 well-drilling units of various capacities and has a stake in more than 100 oil producers, mostly in the Joseph Lake and West Drumheller fields of Alberta, and a number of both dry and wet gas wells.

Company is associated with New Superior Oils of Canada in many of its ventures. This year it participated in significant light oil discoveries in the Cardium sand in the Garrington and Rocky Mountain House areas near the Alberta Foothills. Evaluation of these finds is under way by the group.

Feasibility of establishing an iron and steel plant in Alberta is being investigated by a wholly-owned subsidiary. A 20% share interest is held in Edmonton Pipe Line Co., which operates a crude oil pipe line from the Joseph Lake, Armena and Camrose fields to Edmonton. Other investments include 383,234 shares of New Superior Oils.

Reserves of the company were estimated at 2,465,523 bbls. of oil and 5.87 billion cu. ft. of gas. Company's share of oil production amounted to 338,467 bbls. for a value of $850,745 in the fiscal year ended Sept. 30, 1953. Total revenue included profit of $2,396,789 on completed drilling contracts, while miscellaneous income totaled $60,167. Net profit after all expenses, depreciation, interest, development write-offs and taxes was $677,042 compared with $358,716 in the 1952 fiscal year.

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2. A water repellent silica grease thickener — Estersil GT.
3. A stabilizer and dispersant for reducing deposit-forming tendencies of heating and diesel fuels — Fuel Oil Additive No. 2.

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1. Lube Additive 564

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3. Du Pont Fuel Oil Additive No. 2

Although it has been in commercial production only a short time, F.O.A. No. 2 has already proved its effectiveness as a stabilizer and dispersant for both heating and diesel oils.

The development of these three additives is part of a continuous research program at the Du Pont laboratories. As a major supplier of fuel and lubricant additives, the Petroleum Chemicals Division of Du Pont Company of Canada Limited is constantly working with Canadian petroleum and automotive industries to help them improve performance through the use of chemical additives for petroleum products.

For more detailed information about this program, address your request to any of the Du Pont Petroleum Chemicals Division regional offices listed below.

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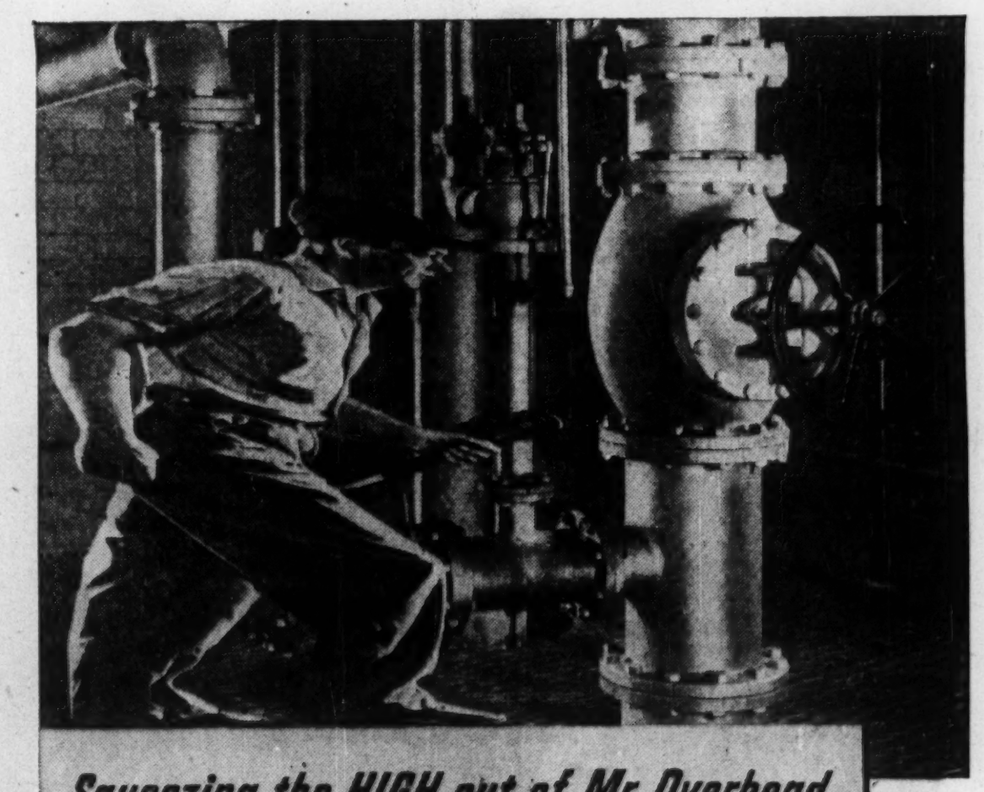

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Oil Revenues Are Fat, Pleasing, And Puzzling

The Problem: How Best To Empty Bulging Provincial Coffers

The flood of new provincial revenues that has accompanied the growth of Alberta's oil industry has become a pleasantly puzzling problem for provincial government leaders.

In the fiscal year ended March 31, 1954, for instance, revenues from sale of petroleum and natural gas leases and from petroleum and natural gas fees, rentals and royalties together represented $97 millions out of total revenues of $197 millions.

The take from oil and gas, as Premier Manning pointed out in his budget speech last year, has doubled almost four times since the fiscal year 1948-49 when oil revenue first became a major factor in the provincial economy.

The problem in Alberta has been how to make the best use of this new found wealth. Provincial debt has been cut by a third and investments built up to a point where they are valued at more than 1½ times the debt. All of the debt is not being retired in advance of maturity because the average coupon rate is relatively low — lower in fact than the rate the province is able to get on its investments.

Manitoba and Saskatchewan are also getting increased revenues from oil and gas, although their income is very much smaller than Alberta's. Manitoba, for instance, expects to get about $125,000 from royalties and another $60,000 from a tax based on the ownership of mineral rights in the form of oil (basis of assignment involves the actual value of production from individual wells).

Due mainly to oil, Saskatchewan's recurring revenues from mineral resources this year are expected to rise to $6 millions, from $4½ millions last year. This doesn't include income from sale of production leases and exploration permits ($3 millions last year). This is becoming an increasingly important contribution to a provincial budget which in the current year calls for $100 millions to be spent for all purposes, on current and capital account.

How Oil Revenues Have Grown

Fiscal Year	Royalties & Sale of Leases From Provincial Lands	Royalties & Sale of Leases From School Lands	Rentals, fees from prov., School Lands
	($000)		
1948-49	10,340	200	2,551
1949-50	26,550	344	6,263
1950-51	32,768	1,550	9,787
1951-52	22,580	1,711	15,384
1952-53	32,013	5,050	19,688
1953-54	66,639	5,180	24,604
1954-55 (est.)	32,000	2,250	18,000
	222,890	16,285	96,277

Double '53 Take

This year Alberta's Premier Manning pointed out that it's possible oil revenues might even grow to double those of last year. In this case, the increase alone from this source would be sufficient to eliminate all present municipal, school and hospital taxes and still leave a balance of $30 millions for debt retirement or other purposes.

He added, however, that he was not suggesting that it would be either practical or desirable for all local expenditures to be financed by provincial grants. "Such an arrangement would be inefficient and unsound in principle in that it would reduce local governments to the status of mere spending agencies dispersing funds in the collection of which they would have no voice or responsibility."

Other objections were raised to the scheme at the time too. Because oil is a wasting asset, the revenues won't last forever. Municipal taxes would have to be restored later, and in the meantime thrift and the sense of responsibility for examining expenditures closely might be forgotten, it was pointed out. Rural residents would not benefit as much as urban property owners, nor would tenants get a share equal to that of their landlords.

The Government has been using the oil and gas money to assist municipalities in other ways, however. In five years, including the current one, it's estimated by the province that direct and indirect provincial assistance to the municipalities will have totaled $169 millions. In addition, another $110 millions assistance will have been made available through low interest rate loans for municipal capital expenditures.

Just how the oil and gas revenues have grown in the 7½ years since Leduc is shown in an accompanying table. The estimates for the current fiscal year are the Government's. It seems fair to predict that the $50 millions expected this year will prove conservative. Their estimate for revenues from provincial and school lands for the 1953-54 year was $45 millions, less than half what they actually turned out to be.

Bonus to Boot

The budget estimate for all types of revenues for 1953-54 as a result was very wide of the mark — by a whopping $58 millions, $52 millions coming from the "bonus" oil revenues.

Actual expenditures on current account, on the other hand, were close to the estimates — just $700,000 more than the $91.3 millions budgeted for. Thanks to oil, expenditures on capital account were boosted $34 millions over those of the previous year, however, principally through provision of $25 millions for a revolving fund for municipal capital expenditures.

It's the Government's stated policy to divert to capital expenditures and to retirement of public debt incurred for capital expenditures, all revenues derived from oil royalties and the sale of Crown reservations and development leases. Oil and gas rentals, fees, etc. are used to help meet current expenditures.

How this has worked out is shown in the following table of capital expenditures for provincial construction and debt retirement:

Expenditures on Capital Construction	$
1948-49	16,790,000
1949-50	16,757,000
1950-51	23,326,000
1951-52	24,593,000
1952-53	37,568,000
1953-54	45,737,000
1954-55 (est.)	51,746,000
	216,517,000
Debt retirement during 7 years	32,769,000
	249,286,000

The idea is to use the money from oil and gas — which is revenue from depletion of an asset — to create more assets.

Principal beneficiary of the stepped-up capital expenditure program has been the highway construction program. In the 1952-53 year, for instance, it spent $28.5 millions on highways, bridges and ferries on capital account, plus $9 millions on current account. Last year, these outlays totaled $47 millions—$12 millions on current account and $35 millions on capital account. Budgeted outlay on current account this year is $15 millions, on capital account $42 millions.

Debt reduction has been impressive too. Total provincial debt in 1945 was $150 millions. Five years later it was $130 millions. At Dec. 31, 1953 it was down to $94 millions, at which time cash and investments held by the province amounted to $169 millions.

The cash and investments total included $44 millions in loans to municipalities under the Self Liquidating Loans Act and the Municipal Capital Expenditures Loans Act, $4 millions in rural electrification loans, $35 millions in loans to Alberta Government Telephones, $80 millions in bonds and debentures and $6 millions cash.

Premier Manning said in his budget speech this year the province does not propose to accelerate the normal retirement of its debt through call of outstanding debentures.

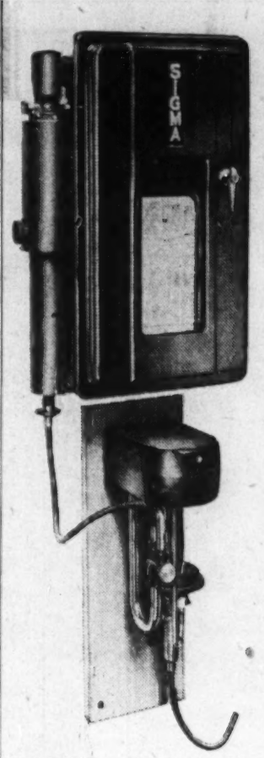
Of the funded debt still in existence, he points out, $60.7 millions is payable in either Canadian or U. S. currency at the option of the holder. Although it became callable after March 1 this year, a 2% premium would have to be paid if it were called.

In view of the better than 3% return now available on the province's investment holdings, and an average coupon rate of only 2.78% on its borrowings, the Provincial Government feels the public interest is better served by making available loans to municipalities, schools and hospital districts at low interest rates for capital construction projects.

In the field of municipal assistance, the Government has built up a $60 million revolving fund for municipal capital expenditures. This was set up last year with $25 millions and was followed this year with the contribution of a further $35 millions.

In addition, it allocated $4.3 millions to the rural electrification revolving fund last year and this year allocated a further $5 millions. This money is made available for loans to rural electrification associations to assist in financing construction of rural power lines.

Repayments on loans made from the revolving funds are put back into the fund, and become available for new loans. Objective is to eliminate as rapidly as possible all external municipal borrowings.



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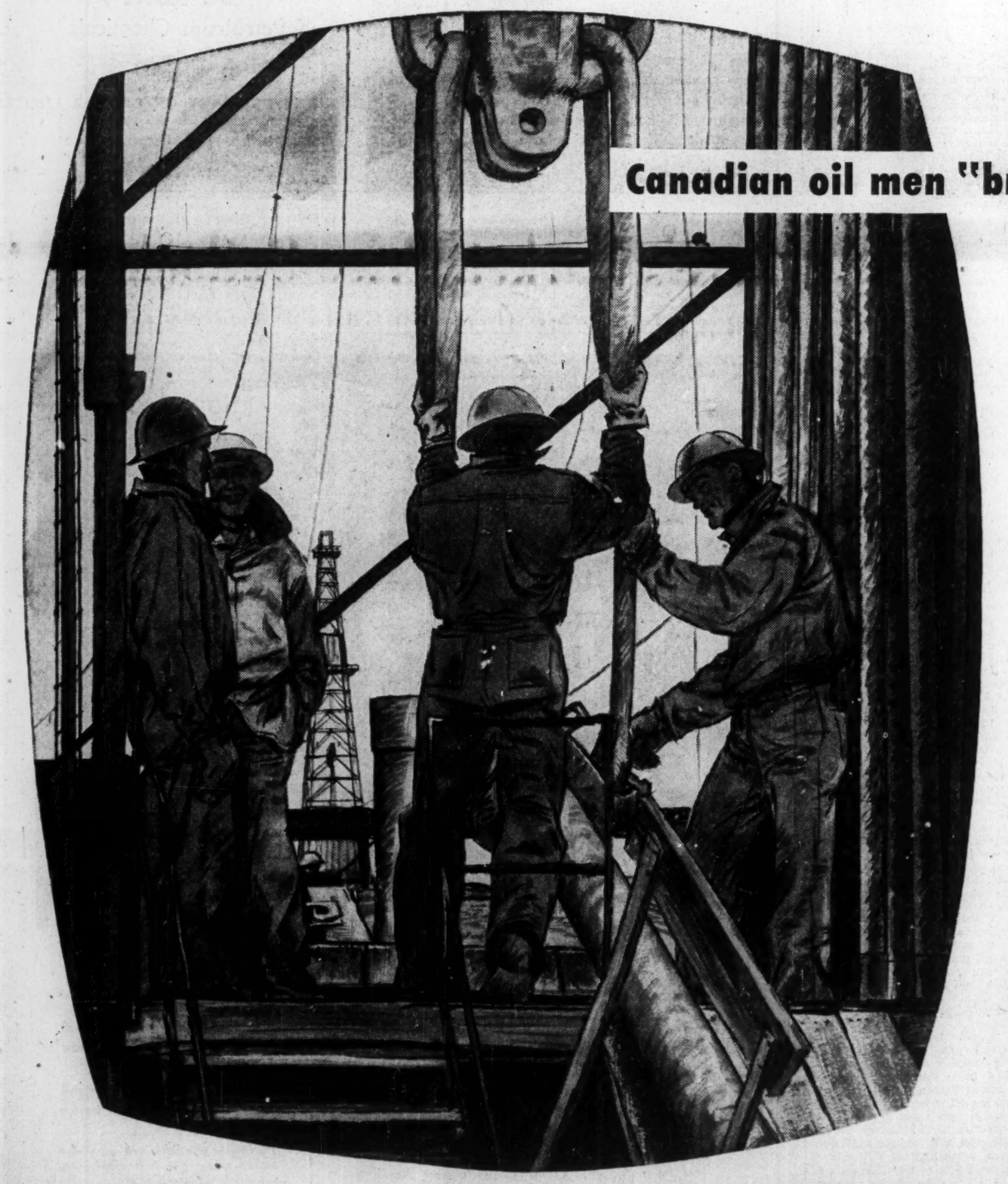

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Canada led the North American continent in the discovery of oil. Petroleum, from producing wells in Western Ontario, was being refined in 1857—two years before Pennsylvania's famous Drake Well discovery "came-in" in 1859. However, we lagged far behind until 1947. Then oil men discovered Leduc. This bonanza opened up the Western oil fields that "brought-in" a fabulous new era... one that has added hundreds of millions of dollars to our national wealth.

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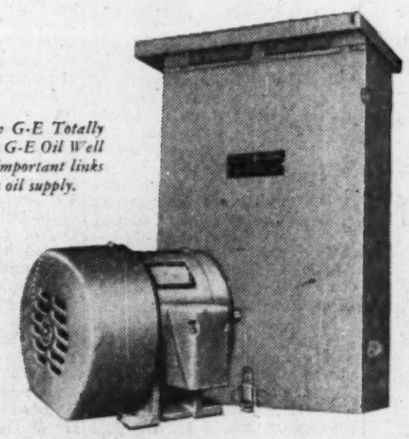

Shown here are the new G-E Totally Enclosed Motor, and the G-E Oil Well Pumping Control—both important links in maintaining Canada's oil supply.

Apparatus Division

CANADIAN GENERAL ELECTRIC COMPANY LIMITED

The Financial Post

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More Market Gains Ahead for Natural Gas Stocks?

Six Stocks Up 30% in Year As Utilities Enter New Era

By W. L. MACK

Does natural gas spell current stock market opportunity in Canada?

The new era that opens up for many Canadian utility companies with the coming of natural gas is already making itself felt in the market-place. The stock prices of a representative group of six gas utility companies have advanced 30% in the last year, as against a general market rise of only 19.5% (as measured by Toronto Industrial Index).

The broadening buying into this group over the last several months reflects an investor reappraisal of the whole growth outlook of these companies, an appreciation of what natural gas has done for pipeline and utility stocks in the U. S.

Consumers' Gas Co. of Toronto, for instance, the big Toronto utility company whose growth trend has flattened out in recent years under the impact of rising manufactured gas costs, looks for a doubling of business in the first two years of natural gas use.

Union Gas Co. of Canada — the biggest natural gas distributor in Eastern Canada — plans at least a tripling of gas business in its big Southwestern Ontario franchise area in the next several years.

Winnipeg & Central Gas, serving Winnipeg and district, expects to boost number of customers from current 15,500 to 50,000-60,000 in 10 to 15 years' time.

One of the major factors greatly improving the whole forward position of such companies which formerly operated on manufactured gas is the measure of control they will now have over operating costs. They will know exactly what they are going to have to pay for their natural gas for the 20-year contract period. With manufactured gas the costs could change almost daily with rising coal, coke, labor, transportation charges.

For the pipeline transmission company to boost rates beyond contracted prices involves a prolonged hearing before provincial bodies —in Ontario the Ontario Fuel Board. The utility companies would have full opportunity to appear and oppose the move. On the remote chance that a wholesale gas rate increase was permitted the utility companies would likely also be permitted to boost their consumer rates a compensating amount.

Opens New Markets

The assured supply of natural gas gives the utility companies access to large industrial markets they would never have considered before. It is the practice of gas utility companies to have a clause in their contract with the transmission companies whereby they will have the privilege of supplying most of the industrial markets in their franchise area. Development of such markets work a big advantage to company's rate structure. Not only does it enable the utility company to take full advantage of the better gas rates that go along with larger gas purchases, but it also provides the company with the very important advantages of interruptable markets.

Every gas utility company will make a real effort to sign up some sizeable industrial markets on an interruptable basis, i.e., the utility company will reserve the right of cutting off gas supplies to the industrial customer either (a) within a few hours' notice, or (b) during winter months. These customers would alleviate the awkward low-load summer month periods and help utility companies to balance out their load factor a little more evenly over the year.

For taking gas on this interruptable basis the industrial customer will receive an attractive discount. He will, of course, have to maintain a secondary, standby heating system.

Although the rates proposed by Trans-Canada in the contracts given to the utility companies to study have not been disclosed it is know that the utility people consider them attractive enough to ensure a steady market build-up in their areas.

Here is a list of seven gas utility companies that stand to profit the most from the building of a trans-Canada pipeline. For five of them it will mean a changeover from manufactured to natural gas operations.

Canadian Delhi: This company held 100% ownership of the original Trans-Canada Pipe Lines — the company that merged with Western Pipe Lines to form the present Trans-Canada Pipe Lines. The two "merging" companies have a 50-50 interest in the new company which will build the all-Canada gas pipeline. As well as this 50% interest in the $300 million pipeline undertaking, Canadian Delhi, an active oil and gas drilling company in Alberta and Saskatchewan, now owns well over one trillion cu. ft. of natural gas in Alberta. It is also reported to own some three million barrels of developed oil with at least three times that amount undeveloped.

Recently shareholders exercised a 1 for 12 rights offering at $10 a share (U. S.). The stock trades on the over-the-counter markets in Toronto and New York.

Consumers' Gas Co. of Toronto: With its switch-over from manufactured to natural gas this 106-year-old utility enters an entirely new phase of operations, one in which growth potential appears almost unlimited. Squeezed during postwar years between rising operating costs and sharpening competition from other fuels, business flattened out and recently began to fall, despite the unprecedented growth in Toronto's population. Although there has been no official word yet on final rates to be set on the new natural gas now gradually extending throughout company's entire distributing system, authorities say they will be attractive enough to permit fairly rapid market build-up. It's known company has plans to considerably expand its franchise area to the east and north.

Almost as attractive — from an investor's point of view — as the switch to the "fuel of fuels" are the changes effected in the recently overhauled company charter. Restrictions to further financing have been removed and company will no longer be restricted as to profits distribution to shareholders (now 10% of capital stock). The former bond retirement and building funds have been done away with and incorporated into standard balance sheet form. The company is now planning to refund presently outstanding debentures with proceeds from sale of first mortgage bonds and to borrow $7.5 millions through the issue of new debentures to complete financing of its natural gas conversion program.

Early last month first imported U. S. gas was turned into the company's mains. By early February all customers in Greater Toronto area will have been converted to natural gas. Company management realizes it has a real job ahead of it to build load up rapidly in the Toronto area, particularly since there has already taken place a substantial conversion from coal to fuel oil heating. Bold measures will have to be taken — such as extending mains quickly to new rapidly expanding housing developments on the perimeters of the city. There is a sizeable industrial and commercial load to be developed.

Consumers' has leased the 80-mile Niagara-to-Toronto pipeline built this summer by Trans-Canada and will operate it until such time as Western Canada gas reaches Ontario, at which time Consumers' will switch over from imported U. S. gas to Canadian gas and Trans-Canada will manage the Niagara-to-Toronto line.

Interprovincial Utilities: Company was formed in 1950 to acquire the gas assets from Ottawa Light, Heat & Power Co., following sale of that company's electrical facilities to the Ontario Hydro-Electric Commission. Company plans to distribute natural gas, obtained from spur line from Toronto-Montreal section of Trans-Canada line, to the Ottawa-Hull market. Management is now exploring possibilities of extending company operations beyond Ottawa to other towns and cities between the capital and Toronto.

The company's financial position has improved from date of formation and earnings from manufactured gas operations have been running somewhat better than depreciation charges. Capitalization consists solely of 140,000 shares of common stock, all of which is outstanding.

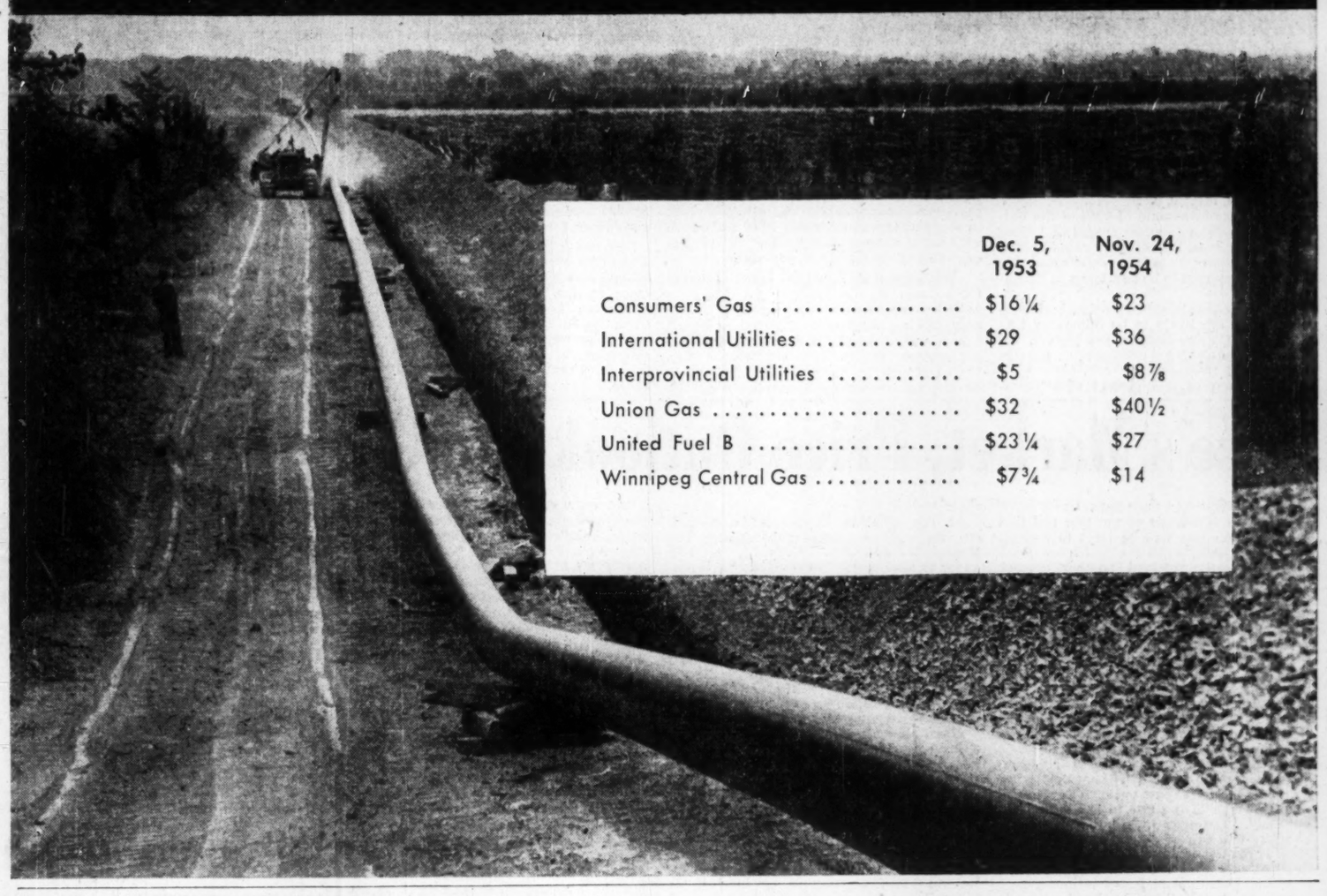
International Utilities Corp. (head office New York): Owns a 12½% interest in the Trans-Canada Pipe Lines project to build and operate a 2,220-mile "big inch" natural gas pipeline from Alberta to Ontario and Quebec. Extent to which the company invests its funds in the equity securities of Trans-Canada Pipe Lines will await final evaluation of the project when economic and financial plans are further developed. H. R. Milner, a director of International Utilities, is a vice-president of Trans-Canada and has played an active part in formation first of Western Pipe Lines and later the merged company (Trans-Canada Pipe Lines).

Besides this, International controls (nearly 100% stock ownership) the two largest natural gas utility companies in Canada—Canadian Western Natural Gas (supplying Calgary, Lethbridge, Banff, etc.), and Northwestern Utilities (supplies Edmonton and other communities). Current oil boom in Alberta has had a tremendous impact on operating subsidiaries' business. Gas sales have doubled since 1947 and reflecting this earnings of International have also doubled in the same period. The company also controls one electric utility (Canadian Utilities supplying some 235 communities in Central and Northwestern Alberta) and three propane companies operating in the province.

The company's stock is traded on the New York Stock Exchange as well as on the Montreal and Toronto stock exchanges. As at

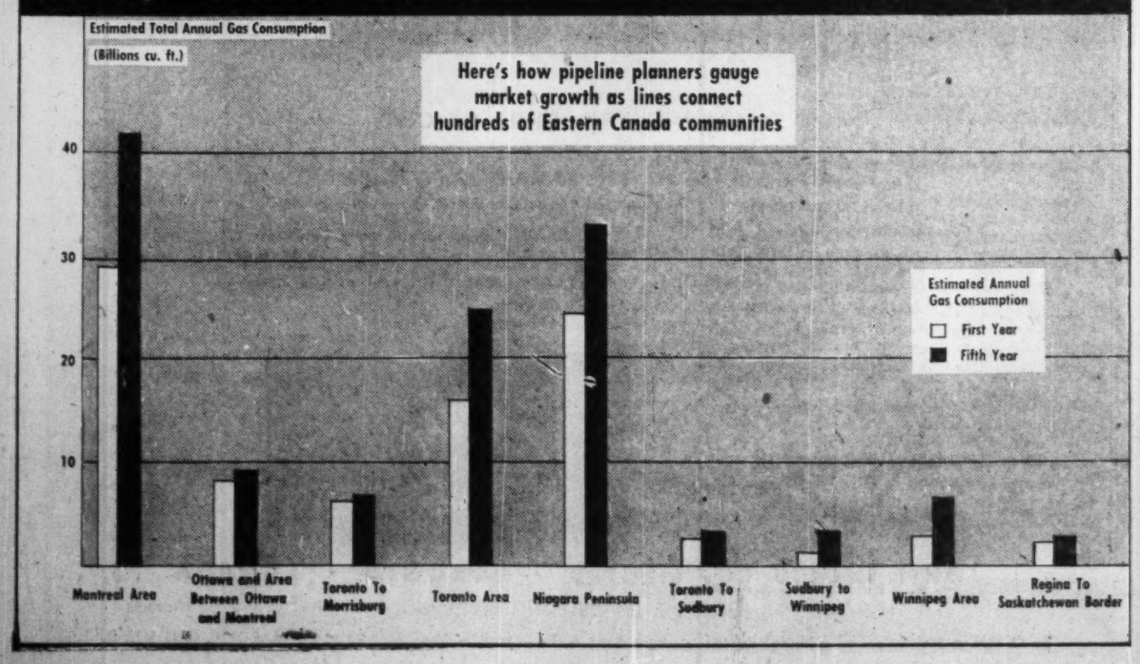
(Continued on page 54)

How Natural Gas Has Moved Utility Stocks



	Dec. 5, 1953	Nov. 24, 1954
Consumers' Gas	$16¼	$23
International Utilities	$29	$36
Interprovincial Utilities	$5	$8⅞
Union Gas	$32	$40½
United Fuel B	$23¼	$27
Winnipeg Central Gas	$7¾	$14

How, Where Natural Gas Markets Will Grow



Here's Market, Price Outlook for Gas

Many Problems Ahead, But Aim at Line Start Next Spring

Canada's natural gas reserves are increasing at a rate in excess of 1.5 trillion cu. ft. annually. Up to now, practically all of the gas has been found incidental to the discovery of oil.

How fast will reserves jump when pipelines bring big waiting markets within economic scope of the gasfields? When exploration crews actually start looking for gas?

Already, a few months before the start of one of the largest engineering and construction jobs in Canadian history — a trans-Canada gas pipeline to feed the heavily concentrated markets of Eastern Canada — enough additional gas has been found to supply another major pipeline market.

Canada's natural gas problems over the next few years will be marketing — not proving up reserves.

Energy requirements in this country by 1975 — on the basis of Canada's population growing to 22.5 million by that time — have been estimated by a top Government economist at around 5.5 trillion cu. ft. annually, or some 106% above last year.

There has been a wide variation in the forecasts of how much of this rapidly growing energy market natural gas will be able to take over. Seers must guess at relative costs of the competitive fuels at the time, costs of extraction in the field and transportation. But the same government authority forecasts that natural gas will be able to double its share of this total energy market, to around 9%.

Another natural gas study prepared recently by the Stanford Research Institute and the University of Western Ontario puts natural gas's share of the energy market far higher — around 30% by 1975. This study was based largely on gas's meteoric rise in the U. S.

Market Growth: 500%

These two viewpoints represent a 1975 annual gas market in Canada ranging between 0.4 trillion and 1.2 trillion cu. ft. Trans-Canada officials have estimated a minimum marketing expansion in the first 10 years of pipeline operation of 500%, which represents sale in Canada by 1966 of at least 1 billion cu. ft. of gas daily.

The cold Canadian winters could boost the growth record even beyond that of natural gas in the U. S. where industrial uses account for some 75% of all gas consumption. There is little doubt that domestic and heating demands will far outweigh industrial in the early years at least. This in turn will bring the troublesome problem of balancing out load factors over the entire year.

All eyes now are on the big experiment—Trans-Canada Pipe Lines' project to pipe Alberta gas via a 2,200-mile "big inch" pipeline across Canada to Ontario and Quebec. To a great extent the whole future outlook for Prairie gas will rise or fall on the measure of success of this project.

Rarely have pipeline planners had such seemingly insurmountable problems to overcome:

—In the first place, there is no previous worthwhile gas pipeline experience in this country on which to base costs and marketing estimates.

—Compliance with federal aims and regulations on one side and provincial on the other — often at cross-purposes — has complicated planning right from the start.

—International complications are raised by the planned export of sizeable quantities of gas to the St. Paul-Minneapolis area.

—On top of that the economics of the line has looked a little "thin" to many people—with some 80% of potential Canadian market on the remote end of the pipeline where carrying costs are heaviest and competition from other fuels the greatest.

Must Be Big To Pay

Extensive surveys into the economic feasibility of a trans-Canada gas pipeline have all agreed on one point. Only by making use of the transportation economies of moving a large quantity of gas through a big-inch pipeline can western gas be laid down at eastern points competitive with other fuels.

Because the climate will ultimately lead to very heavy loads in winter for heating purposes, full economical uses will have to be made of available off-season storage facilities and interruptable industrial markets. The substantial gas storage fields in Southwestern Ontario — owned by Union Gas Co. of Canada and Imperial Oil Ltd. — will likely be integrated into the over-all Trans-Canada system.

A strong management team has been built up this summer headed by N. E. Tanner, oilman and former Alberta Minister of Lands & Forests. Charles S. Coates, former senior vice-president of Tennessee Gas Transmission Co. — one of the largest gas companies in the world — is vice-president and general manager.

Trans-Canada management has been working rapidly to sign up in firm contracts all the essential groups in the program — producers, distributors and industrial customers — before the end of the year if possible. Plans are then to firm up financing plans, gain Ottawa's approval and place pipe orders for next spring delivery.

Outlook is still good — despite several worrisome holdups — for a spring 1955 construction start on the line, officials say.

Plans call for completion of the Alberta-Winnipeg section of the line — plus a 24-in. branch from Winnipeg to the Minnesota border — by late next fall. The second stage, on to Eastern Canada, would be ready by end of 1956.

The Line Must Pay

"Investors must be satisfied the line will not only be a going concern, but that it will pay them a reasonable return on their investment," Trans-Canada President Tanner said recently.

"The only way assurance can be achieved in advance is for Trans-Canada Pipe Lines to obtain sufficient contracts from municipalities and industries along our route to guarantee a return sufficient to meet the fixed charges on the line and contracts with gas producers in the field sufficient to guarantee the servicing of agreements with the utilities," he said.

Since the contracts are of a long-term nature — a period equal to the amortized life of the pipeline — all parties are bargaining sharply to obtain the best possible deal. This has slowed down proceedings considerably at the moment.

Trans-Canada's problem is to arrive at satisfactory rates that will satisfy all hands. It must sell natural gas as cheaply as possible to utility companies and industries so that gas competes successfully against other fuels. It must enable rapid market build-up, yet still pay the producers as much as possible to provide incentive for further gas search.

It looks as if gas producers, pipeliners and municipal distributors are all "going to have to take a little less" in the first few years of operation of the all-Canadian gas pipeline to get the project under way, the Trans-Canada president advised recently.

One of the big holdups up to this week has been lack of any firm price on gas-gathering charges in Alberta. Trans-Canada cannot offer wellhead prices, only a price for the gas at the Alberta border, since the gas is to be transported to the border by the recently formed Alberta Gas Trunk Line Co.

The Alberta Price

Trans-Canada's price at that export point is 14c per mcf. Last week before the Alberta Petroleum and Natural Gas Conservation Board the trunk line officials disclosed their charges as 3.14c per mcf.

This will make a wellhead price for good clean gas of 10.86c per mcf. The producer, of course, must first clean his gas — if sour, or heavy with liquid hydrocarbons — and gather it for delivery into the trunk system. The producers, who up until now have looked unfavorably on the Trans-Canada price, can now study the offering in the light of the gathering line charges and decide whether to accept or reject contracts for sale of their gas.

Trans-Canada looks on the one sales contract it has already concluded — to sell gas to Northern Natural Gas Co. for distribution in company's St. Paul-Minneapolis market — as an all-important one in helping "sweeten" the $300 million financing that has to be done to defray costs of constructing the pipeline.

This contract calls for export to Northern Natural at the rate of 100 million cu. ft. daily for the first year (starting next November), 150 million the second year and 200 million the third. There is provision in this long-term contract to up this quantity further after the third year if sufficient gas is available.

This proposed branch line to the U. S. border has always been one of the sore points between company and federal officials. Ottawa authorities, consistently plumping for an all-Canadian line, have looked on the U. S. spur line with some suspicion from the start. Their fear was that connection with such a large potential U. S. market might jeopardize supply of gas available to the Eastern Canada market.

Ottawa now appears ready to accept the branch line, assured that (a) it will help

(Continued on page 54)

Market Gains Ahead for Gas Stocks?

(Continued from page 53)

Aug., 1954, there were only 244,530 preference and 964,662 common shares outstanding.

Union Gas Co. of Canada: Company has long-term expansion plans that would more than triple gas business in its Western Ontario market area. Chances of securing the additional supplies of natural gas to launch such a program are considered good. Union has two strings to its bow — imported gas from Panhandle Eastern Pipeline Co. or gas from Western Canada via the Trans-Canada pipeline. Hearings before the U. S. Federal Power Commission on a Panhandle Eastern Pipeline application seeking—among other things—permission to export to Union Gas an additional 15.5 billion cu. ft. of gas annually (now exporting under a former contract 5.5 billion cu. ft. annually) will begin on Jan. 4.

In the current contract negotiations with Trans-Canada for purchase of Prairie gas, provision has been made for switching over from the extra imported gas to Prairie gas once it is available.

Union plans to build a large-diameter pipeline from its Ontario Dawn gas storage fields to a point near Hamilton and by means of laterals connect such municipalities as Hamilton, Kitchener, Waterloo, Guelph, Stratford, St. Mary's, etc.

Through its ownership of 99% of the outstanding common (voting) shares of United Fuel Investments, the company should participate handsomely in the anticipated big natural gas market to be developed in Hamilton.

Since its sizeable storage fields in Lambton County are likely to be integrated into the over-all Trans-Canada gas system, the company has formed a subsidiary to provide storage and transportation services.

"Completion of this project (the Trans-Canada) will be of great importance to the future operations and growth of the company," President David P. Rogers stated in the annual report covering 1953 operations.

United Fuel Investments through subsidiaries distributes manufactured gas in the Hamilton area. The combined franchise area extends eastward to Oakville, Ont.

A new growth era will open up for this company too with changeover from manufactured to natural gas. The parent company—Union Gas Co. of Canada—is planning a big-inch gas pipeline from the Dawn storage field in Lambton County to a point near Hamilton. This line will be integrated into the Trans-Canada pipeline system so that United Fuel will receive gas either from the additional imports from U. S. by parent company (if approved by FPC) or later Prairie gas.

Perhaps no other Canadian city offers such a well-balanced gas market—consumer and industrial—as Hamilton. The wide range of heavy industry in the company's franchise area enables a rapid load build-up with plenty of potential interruptable markets.

Union gas owns practically all of the 90,000 common shares. Only the B and A shares trade with the former the more popular investment medium. The B — of which there are only 69,689 shares out—participates pro-rata with the common stock in any payment of dividends over and above distributions made on the class "A" preference shares. The stock is non-voting.

Winnipeg & Central Gas: Management looks on the natural gas prospects in Winnipeg and surrounding area favorably and has plans well advanced to launch into a rapid market build-up program once gas reaches the city (expected by next fall). In the meantime, however, the company is developing new gas markets through interim supply of propane, to be integrated into the company's system. Recently plans were announced to construct a pipeline to the heart of the Williston Basin oilfield at Tioga, North Dakota, where purchases of propane would be made for transportation back to Winnipeg. Plans are to eventually extend this pipeline up to the Alberta oilfields where plentiful supplies of propane will be available.

There is one real big potential industrial user of gas in the company's area—Canada Cement Co. With arrival of gas, Winnipeg & Central expects to boost services three to fourfold in a short time. Customers now number some 15,500; it is hoped that this number will be boosted to 50,000-60,000 over the next 10-15 years.

Although agreement has not yet been reached with Trans-Canada on all contract clauses, the rates being discussed are believed sufficiently low to ensure a rapid market expansion.

A recent acquisition was Home Gas Co., a propane distributing company with a number of distributing outlets in the Greater Winnipeg area, Saskatchewan and Western Ontario.

Winnipeg & Central was formed in 1953 to take over and operate the gas properties of Winnipeg Electric Co. There are only 564,989 common shares outstanding of an authorized 1 million.

The building of a trans-Canada gas pipeline to Eastern Canada and a gas gathering system in Alberta itself will also mean a new lease on life for dozens of potential gas producers. Some of these companies, like Canadian Gulf and Britalta Petroleums, who hold large reserves in fields allocated to the gas pipeline, are currently negotiating on long-term contracts with Trans-Canada Pipe Lines.

Here's Market, Price Outlook for Gas

(Continued from page 53)

the over-all economics of the line and that (b) the main line will be built to Eastern Canada in 1956.

Trans-Canada received another setback in its rush program to clear away all contract and financing problems in time for a spring start on the pipeline. The U. S. Federal Power Commission has postponed until January hearings on Northern Natural's application to import the Canadian gas. Allowing time for the FPC hearings and subsequent consideration of the case, this could mean that a decision won't come before spring. Mr. Tanner told The Post, however, that this would not seriously slow down the pipeline program.

Trans-Canada has been granted the necessary permits to take 4 trillion 350 billion cu. ft. of gas for export out of Alberta. This may be taken at the rate of 530 million cu. ft. daily. There is little doubt that this quantity will be revised upward as the over-all Trans-Canada market requires it. Total Alberta gas reserves are now estimated at around 12 trillion cu. ft.

Although no final decision has been made as yet the pipeline to the east will likely be of 36-in. diameter as far as Winnipeg, 30-in. from there to a point near Toronto. A 24-in. lateral is planned from Toronto to Montreal.

In the meantime another important arm of the over-all Trans-Canada pipeline system has been completed and is now operating — the 80-mile, 20-in. line from a Niagara River crossing point to Toronto. Trans-Canada built this line this summer, and has leased it to Consumers' Gas Co. of Toronto until Prairie gas reaches Eastern Canada, when the U. S. imports will be cut off.

U. S. Gas Arrives

First flow of U. S. gas from Tennessee Gas Transmission Co. lines began a couple of weeks ago and gradually the entire Toronto market area will be converted over from manufactured to natural gas. It is estimated that the entire Greater Toronto market will be converted by early February.

The two-year market buildup on imported U. S. gas will be of inestimable value in the over-all marketing of Prairie gas once the Trans-Canada line reaches Toronto in 1956.

At the moment Trans-Canada officials are seriously considering extending this Niagara-Toronto line eastward, possibly as far as Montreal — if satisfactory arrangements can be made, it could greatly speed up the growth record in the big concentrated Ontario and Quebec markets.

Union Gas Co. of Canada, which has recently arranged to import an additional 15.5 billion cu. ft. of U. S. gas annually (depending on FPC sanction) to greatly expand its market scope, will also switch over from this additional supply to Western Canadian gas when it's available.

When all necessary government sanctions are received, the company plans to commence construction of additional pipeline, storage, compression and other facilities which will be required. Present plans call for construction of a large diameter pipe from the Dawn storage field to a point near Oakville, Ont., with laterals to Hamilton, Guelph, Kitchener, Waterloo, Stratford, St. Marys and Strathroy. This will build up a substantial market two years in advance of the Trans-Canada gas supply. Plans are to make extensive use of the large Dawn storage fields for off-peak season gas.

Contracts Ready Soon

At the moment Trans-Canada officials are carrying on extensive negotiations with both Alberta gas producers and gas utility companies in the East. Although none of these contracts have been signed yet officials feel real progress is being made and that completed contracts will be arranged within another few weeks.

As expected in multi-million-dollar deals involving 25-year firm contracts, bargaining is keen on both sides. The utility companies are particularly anxious to secure the best growth arrangement possible for their individual franchise areas.

In many Ontario municipalities no official bargaining body has yet emerged, so Trans-Canada couldn't push sales arrangements in those areas. Competition is also keen for securing the franchise gas rights in many of these towns and smaller cities.

One of the chief obstacles slowing down agreement between Trans-Canada and the utility companies at the moment is the escalator price clause included in the contract form proposed by Trans-Canada.

Not only does this propose a gradually rising price to the gas producers but it also means that any gas purchased by the utilities over and above their contracted requirements must be purchased at higher than contracted prices. But Trans-Canada officials are optimistic that satisfactory agreements can be worked out.

The major stumbling block at the moment, however, is the dissatisfaction among some gas producers with the 14c per mcf offered by Trans-Canada.

In particular, Canadian Gulf Oil officials—who own the big Pincher Creek gas field which may supply about one third of the export market — think the price too low. Canadian Gulf's wellhead netback after paying transportation charges to the Alberta Gas Trunk line and deducting overhead on costly stripping plant in the field might be as low as 6 to 8c per mfc, they claim.

Not Worth The Trouble?

This is not sufficient to justify the $30-$40 million stripping plant and additional gas gathering and drilling programs necessary to put the company in a position to sell gas, they say.

Here too, however, Trans-Canada officials feel they can work out satisfactory deals.

"We are very optimistic about our ability to make satisfactory arrangements with the owners as soon as the gathering and other costs are determined," Mr. Tanner says.

Because of its even clean heat natural gas is the ideal fuel for a number of industrial operations, such as glass-making, ceramics manufacture, steel-making, baking, etc.

Its chemical content — even reduced as it is for its long hike to Eastern Canada — can be used in processing ammonia, some petrochemicals. Several large Canadian oil and chemical companies have tentative plans to use gas in petrochemical operations in Eastern Canada, if it's pure enough and priced right.

For its ultimate success, of course, this major Canadian project will depend on the aggressive selling job done by the utility people, particularly in Eastern Canada. Bold moves will have to be taken quickly in gas main construction to connect up new, fast-growing suburban areas. This, along with furnace conversion from coal, appears to be the most promising market at the moment.

Oil Firm Progress Report

National Pete.

Management of National Petroleums has not only demonstrated an ability to seek out oil-finding chances but to investment money fairly profitably. In both 1952 and 1953, profits were realized on sale of securities and at the beginning of 1944 working capital was over $1,070,000 allowing for a profit of over $210,000 in securities held. At last report National Pete, held 3,000 shares of Interprovincial Pipe Line and 7,000 shares of Trans Mountain Pipe Lines.

Earlier in 1954, it was reported that the company had acquired a new process which it was hoped would assist in securing recovery of oil from wells in the Del Bonita field.

Financial statement for the recently completed fiscal year is not yet available but there was a loss of $43,526 in the year ended Nov. 30, 1953.

Charter Oil

With interests held in over 30 producing oil wells, Charter Oil Co. had oil reserves something over 500,000 bbls. at last report.

This fall a gas well with an initial potential of 4.8 million cu. ft. of gas daily was completed on 14,720 acres farmed out by Charter to the team of Bailey-Selburn Oil & Gas and Slick Oil Co. of Texas.

Location of the well is about 20 miles south of the proposed Trans-Canada Pipe Lines line location.

Charter has participated in drilling in the Hamilton Lake area in association with Calvan and Ryerson Mining on a 480-acre farmout from Sun Oil Co. Some oil and heavily oil-cut mud as well as gas was reported for the Calvan-Charter-Sun 9-30 well completed to 3,007 ft. this fall. Charter's interest is 16 2/3%.

New Superior

A profit of $461,336 was realized by New Superior Oils of Canada for the year ended April 30, 1954, before allowance for depreciation and depletion. This gave gross earnings of 30.4 cents a share against 25.4 cents a year earlier. After all charges there was a profit of $134,561.

At April 30, 1954, the company had acreage holdings with a net equivalent of 374,552 acres as compared with 539,308 net acres the year before. Holdings are spread across the prairies with additional acreage interest in the N.W.T. and Montana.

A substantial profit was realized in the last year from sale of 36,500 shares of Home Oil Co. and bonds of Highland Leaseholds and Riverside Leaseholds.

Interests are now held in both Edmonton Pipe Line Co. and Progas of Canada Inc.

A 45% participating stake is held in the Rocky Mountain House Cardium sand strike.

As at April 30, 1954, the company had current assets of $801,158 as against current liabilities of $463,417.

Dome Exploration

Dome Exploration (Western) is one of the western oil companies with fairly substantial crude reserves. Recently the company had interests in around 60 crude producers. Oil reserves at the beginning of 1954 were estimated at 16.3 million bbls., mostly in Redwater.

A participation has been taken in Pembina development in 1954 which has added to the company's crude producing ability. A participation was also taken in financing the recently completed Pembina pipeline to Edmonton.

The company had net earnings of $501,282 in 1953, but after $177,961 interest and write-offs there was a net loss of $318,454 as compared with $179,272 a year earlier.

Working capital position at the beginning of the year amounted to $1,063,731, a slight reduction from a year earlier.

Palmer Oil Dev.

One of the smaller contract drilling operators in Western Canada, Palmer Oil Development Co. is also interested in development of oil in Canada and Texas.

A net profit of $103,417 was realized for the year ended Nov. 30, 1954.

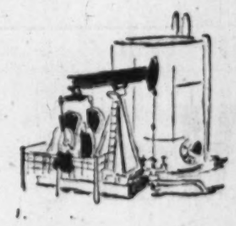
Late last month it was reported that production string of casing had been run at Palmer Wapella 1-35 extension venture following oil encouragement received by Palmer Oil Development in the Jurassic formation. A Palmer-owned rig was used for the drilling of the well which was carried to 2,520 ft. but was plugged back to 2,432 ft.

A site for another well, a south offset to the 12-35 Blairmore well had also been selected.

WHERE ONCE THERE WAS ONLY GRAIN

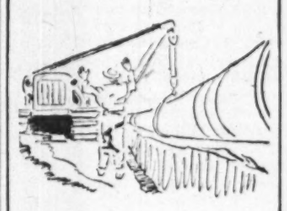
DRILLING

404 wells drilled in first half of 1954. 678 were drilled last year.



PRODUCING WELLS

982 wells were capable of production in second week of October.



PIPELINES

South Saskatchewan pipeline being built, with capacity of 20,000 barrels a day.

There are 27 oil and 12 gas fields in Saskatchewan.

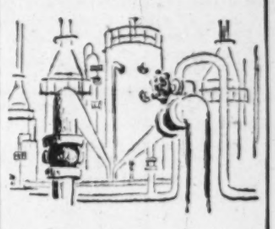
More than 4 million barrels of oil will be produced this year.

Discoveries and promising stepouts continue to spur oil activity in the province.

INDUSTRIAL DEVELOPMENT OFFICE

Government Administration Building, Regina

HON. T. C. DOUGLAS Minister — D. H. F. BLACK Director



REFINERIES

Expansions make Regina fifth largest refining centre. Nine refineries in the province.

Company Survey

Peruvian Oils

Mineral concessions covering nearly 2 million acres in Peru are held by Peruvian Oils and Minerals Ltd. These included approximately 1.8 million acres in the Oriente region in the interior, 80,000 acres in the Sechura Desert and 100,000 acres in the Pisco-Nazca district, both on the coast.

Under an agreement a subsidiary of Texas Gulf Producing and Refining Co. will provide most of the financing of drilling the Oriente lands and will, as production is obtained, supply shipping and marketing facilities. Peruvian retains a one third interest.

Balance sheet at the close of 1953 showed total assets of $965,181. Current assets of $556,007 included cash and guaranteed deposits of $551,900. A further $134,294 was deposited with the Peruvian Government.

Rio-Prado Oils

Revenue from a share in 45 producing oil wells in Alberta is enjoyed by Rio-Prado Consolidated Oils. Most of the wells are in the Chauvin field, where medium-heavy-grade oil is found at the shallow depth of about 2,100 ft.

Just recently the company scored an oil success at a 1¾-mile stepout venture southeast of the main producing area at Chauvin. Follow-up drilling to this discovery is under way. At Burdett in south-central Alberta the company encountered heavy oil in the Ellis sand at about 3,000 ft. depth. However, it was found impossible to shut off formation water at the discovery well and it was abandoned. Two wells offsetting the find to north and south were completed as small oil producers, but other offsets to east and northwest were dry.

Rio-Prado also has varying interests in 172,188 acres of leases and 1,271,760 acres of permits and reservations in Western Canada and Montana, and has a stake in six capped gas wells at Gordondale in northwestern Alberta.

Reserves attributable to the company were estimated at 3,912,000 bbls. of oil and 15.5 billion cu. ft. of gas. Earlier this year the company sold $1.1 million of 5½% convertible bonds, due 1964, in order to retire bank loans and to provide further working capital. Share capital consists of 8 million shares, of which 5,576,030 are issued.

Security Freehold

A gas and light oil discovery has been made at Wimborne, in central Alberta, on 1,280 acres in which Security Freehold Petroleums Ltd. has a 15% gross royalty. The discovery well encountered gas and oil in the Devonian D3 zone below 7,400 ft. depth. On test gas flowed at rates up to 5 million cu. ft. per day and oil of 38 degrees gravity flowed at a rate of 350 bbls. daily though choke.

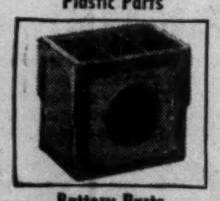
Primarily the company is a land holding organization which derives income from rentals on its acreage leased to development companies. Also enjoys revenue from royalties on 13 oil producers in the Turner Valley field and interests in 12 other oil producers in Alberta and Manitoba.

Acreage holdings include mineral rights on about 96,984 acres in Alberta, 96,332 acres in Saskatchewan and 84,000 in Manitoba. At the end of last year 19,147 acres were leased and 4,592 acres were under option to others. Working interest ranging from 5% to 100% are also held in 140,000 acres in scattered areas of those provinces.

Molded Soft Rubber

Rubber Extrusions

Plastic Parts


Battery Parts

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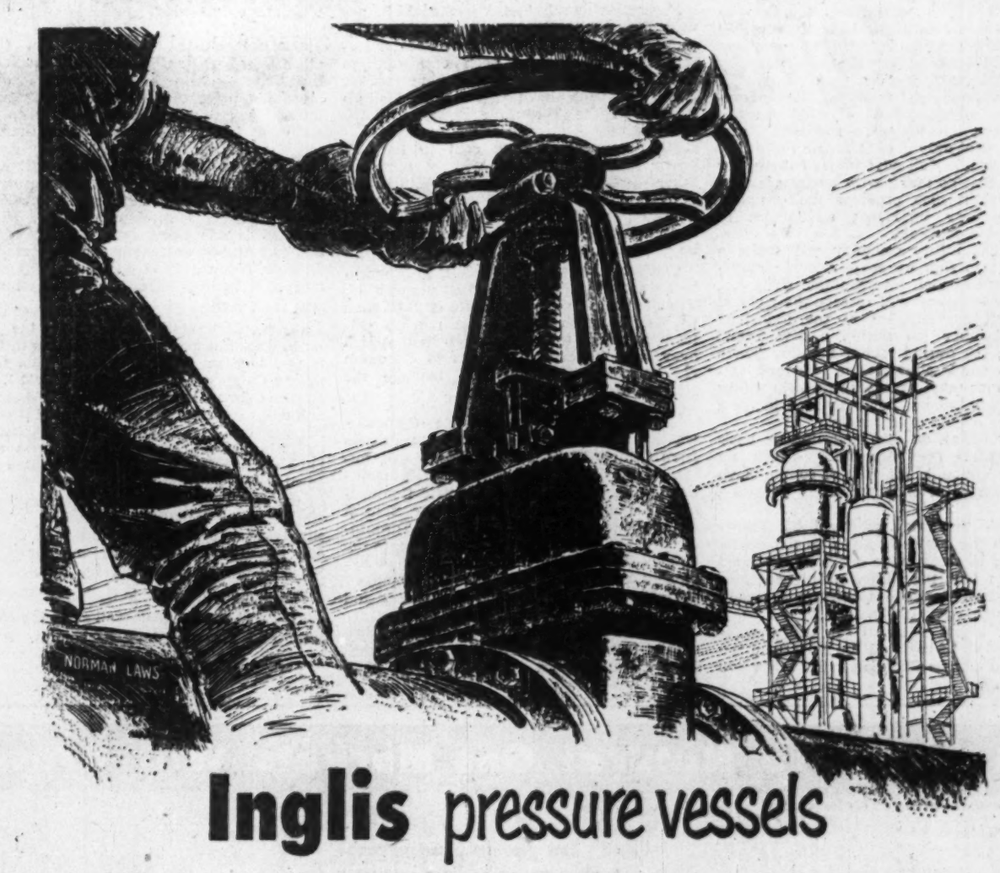
THE GENERAL TIRE



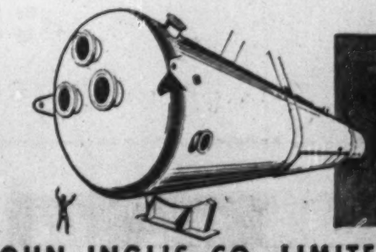
Inglis pressure vessels

SWELLING THE SURGE OF OIL

New oilfields and more production call for greater refinery capacity. As the industry expands Inglis is called on to make more steel or alloy vessels. Already many of the big refineries are equipped with Inglis pressure vessels.

With a plant ideally equipped for this specialized type of steel fabrication, and with a staff familiar with the problems involved, no manufacturer is better equipped to build pressure vessels for the oil, or any other industry.

In addition, as manufacturers in Canada of Worthington Pumps and Compressors, Inglis offers the most advanced designs available anywhere.



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How Gas 'Reservoir' Growing

Reserves Bulge, Day of Utilization Near

Alberta, Western Canada, is about to enjoy its first major realization of a major resource—natural gas.

When Alberta gave permission for export of 4,350 trillion cu. ft. of natural gas to Trans-Canada Pipe Lines last May, the green light was provided for an intensified program of natural gas development.

While Alberta's reserves were estimated on March 31, 1954, at 13.4 trillion cu. ft.—about triple Alberta's own estimated 30-year needs of 4,600 billion cu. ft.—the very size of these reserves has not prevented intensified gas exploration and development.

Although the reserves are large, much of the gas is in central and northern areas considered uneconomic for export to Eastern Canada at this time.

After making further allowances for Peace River commitment of gas, and export of gas to Montana, the surplus available for Trans-Canada to tap in the designated export area was 5,300 billion cu. ft. of which 4,350 billion cu. ft. were earmarked for eastern markets.

Trans-Canada has a permit to take up to 540 million cu. ft. of gas a day.

When Alberta gave permission for Trans-Canada export, a tentative allotment of reserves by fields was made to supply the pipeline. Almost a third of the necessary gas is expected to be drawn from Pincher Creek in Southern Alberta. Greatest distance between export fields is the 260-mile spread from Pincher Creek in the southwest corner of the province to Provost in Central Alberta near the Saskatchewan border.

How Allotments Made

Allotment of gas reserves by fields was tentatively made as follows:

	Billion cu. ft.
Pincher Creek	1,374.4
Cessford	823.3
Homeglen-Rimbey	518.3
Provost	417.4
Nevis	323.3
Medicine Hat	242.5
Princess	170.1
Countess	52.4
Hamilton Lake	34.9
Kessler	26.1
Sibbald	26.1
Oyen	15.6
Duchess	11.4

Other smaller fields were scheduled to provide 191.8 billion cu. ft. Something over 118 billion cu. ft. was not designated according to field by the Petroleum & Natural Gas Conservation Board and is to be met by new surplus gas to be established by mid-1955, either from fields listed or other areas.

This designation of a gas area for Trans-Canada Pipe Lines has caused a stimulus in gas exploration in Southern Alberta and rather taken the limelight from the Peace River gas area.

What producers are to receive for gas has been a sticky point in signing up producers. Trans-Canada has offered 14 cents a thousand cubic feet from which the well operator must deduct whatever charge is made by Alberta Gas Trunk Line Co. For Pincher Creek—largely held by Canadian Gulf with Calgary & Edmonton holding a royalty interest—the problem has been a particularly complicated one. By-products—the stuff on which the petrochemical industry thrives—must be stripped off before the gas leaves the province. And for the first while these elements may have to be returned to the reservoir, pending development of facilities, and markets, for their use.

Producers and potential producers have thus been about unanimous in saying that 14 cents a thousand cubic feet for their output is not a high enough price.

The Price Outlook

It is thought that producers will likely settle for what Trans-Canada offers if they are convinced Trans-Canada can't pay more. If some companies hold out, of course, other newer discoveries and newer operators may have a chance to sign up. By early November none of the producers had signed with Trans-Canada but negotiations were proceeding. After marketing contracts are signed—thought to be only a matter of time—development drilling should get under way in a substantial way so that the various fields may be able to take care of peak load gas requirements.

The May, 1954, gas export approval covers a period of 27 years. Two of these years are allowed for pipeline construction with the 4,350 billion cu. ft. of gas to be delivered over a 25-year basis on a pro rata basis according to field allotments.

The Medicine Hat field is the only one designated for gas export which has so far produced gas in any appreciable amount. The Princess field has produced some gas in commercial quantity.

Altogether several hundred miles of gathering lines will be required to tie in this whole group of fields, as well as future fields which may be found in the next 25 years.

Reserve Estimates

Reserves of gas fields from which gas is to be taken have been estimated as follows:

	Billion cu. ft.
Pincher Creek	2,320
Cessford†	489
Homeglen-Rimbey	1,226
Nevis	613
Provost	417
Princess	170
Kessler	100
Duchess	53
Hamilton Lake	50
Countess	31
Oyen	16

†Adjacent sections have additional gas.

Cessford was found by Canadian Delhi Oil in August, 1950, with 35 productive wells completed in this field to Sept. 30, 1954. Canadian Delhi, sponsor of Trans-Canada Pipe Lines, was formed by Delhi Oil Corp. in the States and has one of the largest interests in gas in the export area.

Homeglen-Rimbey, 25 miles southwest of Bonnie Glen oil field, has wet gas associated with crude oil. Discovery well was drilled by Calmont Oils (Calmont Rimbey No. 1) which was later taken over by Anglo-Canadian Oil Co.

Nevis, which is 10 miles northwest of the Stettler oil field, was discovered by Canadian Gulf Oil Co. with its Lampert 4 well, completed in April, 1952. A considerable extension of the productive zone was established by United Oils and Federated Petroleums which both have substantial stakes in Alberta gas.

The Provost field, 65 miles southwest of Lloydminster, was discovered by Imperial Oil in August, 1946. There were 20 wells in the area capable of production at the end of September.

Princess, 140 miles southeast of Calgary, was discovered by Anglo-Canadian Steveville No. 1 in January, 1939. There were no wells completed in the area in the nine months ended Sept. 30 but there are 11 wells capable of production.

Kessler is a relatively new but large gas area located 145 miles northeast of Calgary. Discovery well was Mill City-Sharples-Kroy-Sweetgrass Kessler No. 1 which was drilled by Mill City Petroleums, Sharples Oil (Canada), Kroy Oils and Sweet Grass Oils, now Great Sweet Grass. Six productive wells were drilled in the first nine months of this year.

The Hamilton Lake area is 75 miles southeast of Stettler and its productivity as a gas area was established in October, 1952, by the team of Western Leaseholds and Trinidad Leaseholds (Canada). The Duchess field is 115 miles southeast of Calgary and about 10 miles from Brooks and was discovered by Raymond I. Smith well in October, 1951. Initial potential of the discovery well was 12.5 million cu. ft. per day.

The Countess field is five miles northwest of the Duchess field and was found by the team of Canadian Delhi Oil and Socony-Vacuum Exploration Co. in March, 1951. Three wells were capable of production at the end of September.

The Oyen field, a relatively small field within the export area, is located 100 miles north of Medicine Hat and was discovered in December, 1949, by Hudson's Bay Oil & Gas Co. in which Hudson's Bay Co. has a large interest. Average well depth is 2,600 ft. Only two wells had been completed to the end of last September.

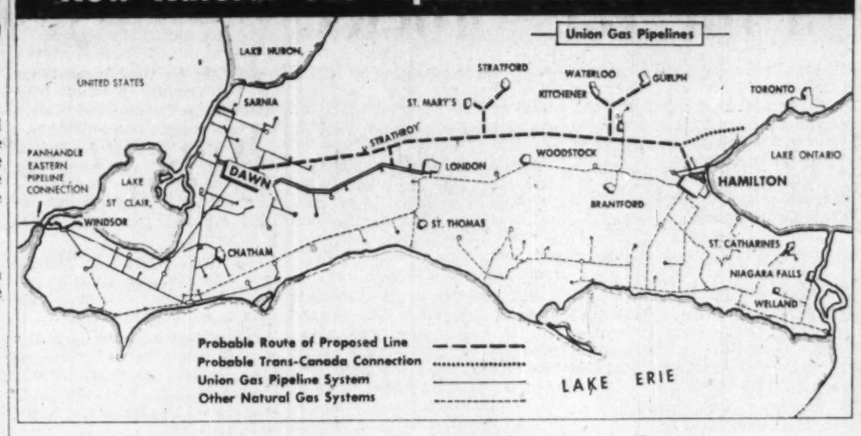
Central Alberta Reserves

Some of Alberta's largest gas resources are located in Central Alberta and are not involved in gas export as their reserves can only be drawn on to a limited extent. For instance, the Bonnie Glen and Leduc-Woodbend oil fields have huge reserves of gas but this must primarily be reserved for the most effective lifting of oil so that bulk of the gas reserves will not be available until quite late in the life of these fields.

Even though the rate of drilling for oil and gas has been on a lower over-all basis in 1954—partly due to extremely wet weather which slowed operations—it appears that a high continued rate of gas discovery will continue to bring pressure to bear for substantially larger gas marketing arrangements. When Trans-Canada Pipe Lines is in operation to Eastern Canada, a swift rise in gas consumption can be expected. Experience in the U. S. has shown that consumption of clean, cheap natural gas usually rises phenomenally when introduced into new areas.

Gas fields which at present lie outside of designated export areas will probably benefit when further pipeline plans — not yet even considered — develop after the Trans-Canada Pipe Lines project becomes a reality. Natural gas has wide continental recognition as a sought-after resource—only second in demand to oil itself.

New Natural Gas Pipeline Widens Markets



Oil of Vital Importance to Whole Canadian Economy

It's not hard to show why Western Canada's oil riches are of top importance to our economy.

High living standards, long distances, and mechanized farming render oil of key importance to Canada with the result that:

—Canadians are, per person, the second highest consumers of petroleum in the world;

—Canada as a nation, is the third largest consumer of oil in the world;

—One-third of Canadian homes are heated by oil;

—There is one motor vehicle to every four Canadians;

—There are three tractors for every four occupied farms in Canada.

Motor vehicle registrations have more than doubled since 1939 to 3.4 millions at the beginning of this year. The number of tractors on Canadian farms has tripled since 1941. The number of oil-heated homes is 2½ times as great as it was in 1947.

Using 560,000 bbls. of oil a day, Canadians have doubled their consumption of oil since Leduc was discovered in 1947.

By the beginning of this year, growth of domestic production has equalled about $700 millions in U.S. currency in terms of former imports now no longer necessary. The fact of western oil, plus larger scale operations, have held gasoline prices to 47% above prewar—little more than half the rise in consumer prices as a whole.

Quickens Economy

No doubt exists at all about the way crude oil has been of tremendous indirect benefit in quickening Canadian economic activity.

In order to make new crude available to consumers, over 3,000 miles of trunk pipeline have been built, in addition to spur lines and field gathering systems. Expenditures have been king-size. Refinery capacity has been more than doubled since the discovery of Leduc with substantial capital expenditures.

But the western oil crude producing end of the business—behind the pipeline and refinery "plays"—has meant vast spending on the exploratory phase alone with expenditures in 1954 estimated at close to $250 millions.

Growing ability to produce oil elsewhere in the world has tended to obscure the excellent long-term prospects provided by an oil industry with growing oil reserves. During the last seven years, our oil reserves have increased 28 times while production has only risen 11-fold.

As great as has been the changeover to Canadian crude, oil industry authorities feel that there will likely be a still greater utilization of domestic crude. Approximately 52% of all oil used in the country is still of the imported variety whether it enters in the form of unprocessed crude or processed products such as gasoline, heating oil, etc. A recent trend has been for western producing companies to enter the refining and distribution ends of the oil business and naturally they are going to prefer Canadian crude. Despite the presence of cheap foreign crude at our boundaries, the pipeline-carried crude—from Canadian oilfields—is getting the preference.

Extension of the Interprovincial pipeline from Superior, Wisconsin, to Sarnia, Ontario, meant disappearance of seasonal type of oil delivery to Eastern Canada caused by lake navigation. It is possible to change over to Canadian crude exclusively, if desired, in the wintertime at Sarnia.

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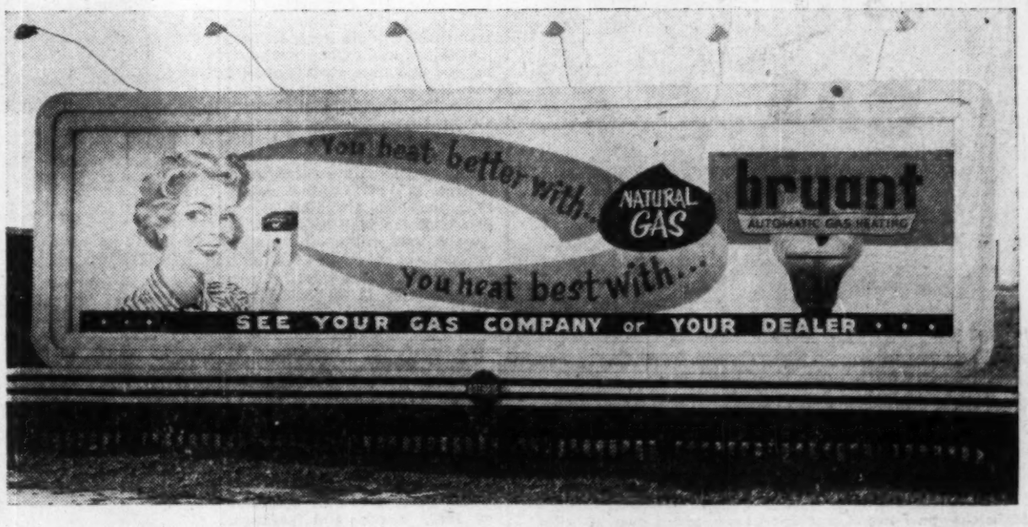

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Reports on Progress, Problems of the Refinery Companies

Cdn. Petrofina

Canadian Petrofina Ltd. with headquarters in Montreal, is an oil refining and marketing company serving Eastern Canada. The company is the Canadian subsidiary of Compagnie Financière Belge des Petroles "Petrofina" of Belgium. It has now established some 320 retail outlets in Quebec, and Eastern and Central Ontario. By the end of this year the number will have been increased to nearly 375, and to around 750 by the end of 1955.

The new Montreal refinery—scheduled to come on stream by next summer—will have a capacity of up to 20,000 bbls. a day by 1957. The company anticipates that by that time it will have 1,200 retail outlets operating in Canada.

Management has also definite plans for another Canadian refinery in Western Canada or in the Western Ontario region.

Company's recent share offering to Calvan Consolidated Oil & Gas Co. was accepted, and gave control of a potential 2,000 bbls. a day oil production in Alberta. The recent exploration and development agreement with Great Plains Development Co. gives Petrofina access to large potential reserves in the Buck Lake area of Alberta, an extension of the Pembina field.

In order to facilitate movement of imported crude oil on the east coast, the company has arranged to purchase a 10% interest in the oil pipe line which runs from Portland, Maine, to Montreal, currently owned and operated jointly by Imperial Oil, B-A Oil, McColl-Frontenac and Shell Oil.

Canadian Fina—another subsidiary of the Belgian parent company—is an oil exploration company operating in Western Canada. The company is active in several sections of Alberta including the Greencourt area, 75 miles northwest of Edmonton. Company has already proven up some oil reserves.

The balance sheet of Canadian Petrofina at August 31, 1953, after financing, showed total assets of $25,033,137. Current assets totaled $414,356, including $373,817 cash. Cash for acquisition of plant was $23,050,000. Investment in subsidiary was shown at $160,000. There were fixed assets of $465,576; deferred charges of $943,205; and current liabilities of $33,137.

North Star Oil

North Star Oil Ltd. is engaged in the distribution of sales of refined oil, gasoline and other petroleum products, throughout the provinces of Manitoba, Saskatchewan, Alberta and Ontario. The company supplies 380 bulk plants, which it owns, and about 705 service stations, of which 105 are company owned.

A thermo cracking refinery is operated at St. Boniface, Manitoba, with a capacity of approximately 4,000 bbls. daily. The capacity was increased from 2,000 bbls. daily in 1949 under an operating arrangement with Imperial Oil Ltd. This agreement with Imperial Oil expired July 1, 1951.

A new catalytic refinery of 8,000 bbls. daily crude capacity, estimated to cost about $7,000,000, is to be built on a 173-acre site in St. Boniface, and completed sometime during 1955.

Net profit of $644,677 for 1953 was 35.5% higher than 1952 net of $475,806.

"Capital expenditures on fixed assets totaled $2,031,637, principally spent on marketing facilities," reported President Fred C. Manning. Eight new service stations were built and the program started in 1952 was completed. In 1954, 16 new service stations are scheduled.

Earnings by share in 1953 amounted to $1.07 as against 79c in 1952. No dividends were paid either year.

Capitalization outstanding at Dec. 31, 1953, consisted of $400,000 3½% first mortgage bonds, due 1952-56 (after deducting $200,000 due April 1, 1954); $1.5 million 4% first mortgage bonds due 1957; $5 million 5½% sinking fund debentures due 1968; 600,000 common shares n.p.v.

Reliance Pete.

Reliance Petroleum Ltd., London, Ont., is engaged in wholesale and retail distribution of petroleum products in Ontario. The name of the company was changed from Crown-Dominion Oil Co. in 1949, and the company took over McManus Petroleums Ltd. and Thayers Ltd. shortly afterward in the same year.

Marketing divisions of the company are situated in Hamilton, London and Toronto; there are bulk plants in Aylmer, Chatham, Essex, Hamilton, London, Owen Sound, Paris, Petrolia, Seaforth, Simcoe, Stayner, St. Catharines, St. Thomas, Tavistock, Toronto and Woodstock.

Net profit for 1953 was $437,245, 11.7% higher than 1952 net of $374,666.

Earnings per preference share amounted to $46.10 in 1953, ($39.50 in 1952); Class A and B shares, after participation, earned $4.36 ($3.70). Dividends paid on the preferred shares amounted to $2.25 in both years and the Class A and B shares paid $1 each in both years.

Vice-president and General Manager F. J. Moore said that the improvement in net profit before taxes was materially assisted by the reduction in income taxes.

Further progress had been made on the problem of service station construction and modernization. Several new stations were built during the year and some old ones modernized and some replaced entirely by modern structures.

A new bulk plant was established in Tavistock, Ont., and another is in course of installation at Cobourg, Ont. Changes in the quality of products included an upward revision of octane rating of gasoline distributed, to provide for increased compression ratios in power plants now being produced.

A promotional scheme in the fall, a coloring book contest for children, resulted in an entry of over 15,000.

Capitalization outstanding at Dec. 31, 1953, consisted of $474,250 4½% cumulative preferred shares par $50; 68,636 n.p.v. Class A shares; 26,757 n.p.v. Class B shares.

Excelsior

Excelsior Refineries Ltd. owns a refinery at Lloydminster which has a capacity of 3,000 bbls. daily, and 35 producing oil wells. It also has interests in 30 more wells in Lloydminster, drilled in 1951 and 1952.

The company holds leases on approximately 9,560 acres in one area and an additional ,280 acres in another. It has interests with Wilrich Petroleums and Pacific Petroleums in two gas wells and considerable acreage in the Pouce Coupe area of Alberta.

Oil Producers Ltd. is a controlled company engaged in the drilling and servicing of oil wells. Excelsior owns 5,004 of the 10,007 shares, the balance being held by Wilrich.

Another of the company's interests is a 25% share in Inland Oils Ltd., Dawson Creek, B.C., which was acquired in 1952 to expand operations to the Peace River area.

Total oil reserves from the proven lands are estimated at 11,340,000 bbls., with 7.5 million bbls. estimated in semi-proven acreage, and a further 7.5 million in favorable lands.

Latest figures available on earnings show that company had a net profit and surplus in the year ended Dec. 31, 1952, of $19,945, as against a net loss of $16,490 the previous year.

Company has recently broken ground on a new $1.5 million refinery at Dawson Creek. The 2,000 bbls.-a-day operation will supply refined products to the rapidly growing Peace River area. Light crude from the Sturgeon Lake and Fort St. John oilfields will be used by the new plant, which is expected to be completed by July of next year.

Contract for the tower and equipment foundations has been awarded to Canadian Kellogg Ltd., and contracts on the remaining work will be awarded before the end of the year.

Wainwright Prod.

Wainwright Producers and Refiners Ltd. is controlled by American Northland Oil Company. It owns one oil well, and two gas wells (one capped) and holds 50% interest in 18 oil wells and three capped gas wells in the Wainwright area of Alberta. Wainwright Co. owns and operates an oil refinery with a daily capacity of 700 bbls. It is planned to increase refineries capacity to 300 bbls. per day.

By a supplementary letter patent dated May 20, 1953, the name of the company was changed from Wainwright Refineries Ltd.

The balance sheet at Oct. 31, 1953, after giving effect to the issue of $100,000 $1 par value shares, and $1,000,000 6% convertible first mortgage bonds, showed total assets of $2,428,706. Current assets were $186,281, of which $135,899 was cash and $22,414 inventory of crude oil at cost. Current liabilities totaled $38,499.

Following an issue of 200,000 common shares in March of this year, American Northland transferred to the company a half interest in its own undertakings within 35 miles of the town of Wainwright.

The proven oil reserves in the Wainwright area are estimated at 5,606,626 bbls. owned jointly and equally by Wainwright Producers and American Northland. In addition, 4,284,000 bbls. are estimated on probable production leases. It is probable that a total of 70 wells will eventually be drilled by the joint operators.

Capitalization outstanding at February 15, 1954, consisted of 640,000 $1 par common shares, of which American Northland holds 440,000 shares and has an option until February 15, 1959, on a further 40,000 shares at $5.30.

B-A Oil

British American Oil Co., now with assets of more than $220 millions, started in Ontario in 1906. Today it is engaged in producing, refining and distributing petroleum products all across Canada and also has important interests in the U. S. It markets its products in more than 30 foreign countries.

Value of refined products sold in 1953 was more than $190 millions compared with nearly $179 millions in 1952. Sales volume, says President Ole Berg, Jr., was maintained at a higher level during the first nine months of 1954 than last year. Earnings this year showed satisfactory improvement although now affected by lower selling prices and other factors of a temporary nature.

The company's five refineries in Canada in 1953 handled nearly 27 million bbls. as against 26 million bbls. the year before. They have a total crude oil handling capacity of about 94,400 bbls. daily, made up this way:

—Montreal, 45,000 bbls.; Clarkson, Ont., 20,000 bbls.; Moose Jaw, Sask., 15,000 bbls.; Edmonton, 7,200 bbls.; Calgary, 7,200 bbls.

The $13.8-million fluid catalytic cracker at Montreal completed in 1949, produces gasolines of high octane rating. A new cumene plant began deliveries to the B-A Shawinigan plant early last year.

At Clarkson, a $1-million plant which came into full operation in 1948, blends and packages lubricating oils. Capacity was boosted by 2 million bbls. a year early in 1951. Further expansion completed early this year brought capacity to 20,000 bbls. per day.

B-A's first major grease manufacturing installation, with a capacity of 15 million lb. annually, was officially opened at Clarkson, Ont., in June, 1953. Plans are currently being made to build an additional topping unit to increase further the capacity of the Clarkson refinery.

The fluid catalytic cracking unit at Clarkson, the fourth to be installed by the company, together with the catalytic polymerization unit, the gas-recovery plant and necessary auxiliary plant, was in operation by July 1, 1954. The new unit has been designed to accommodate the charging stock from double Clarkson's present crude capacity.

Also last July, the company announced a catalytic reformer for the Calgary refinery to increase octane rating. Construction due to start this fall was scheduled for completion February, 1955, estimated cost $725,000.

B-A operates a gas-absorption plant at Longview, Alta. in the Turner Valley field with a capacity of 50 to 60 million cu. ft. of gas daily, and also producing feed stocks for alkalyte, used in aviation gasoline manufacture. A wholly owned subsidiary, British American Gas Utilities Ltd., collects gas from the Turner Valley field for use in the absorption plant.

Marketing across Canada is done through some 7,367 retail and wholesale outlets, 335 branches and 14 water terminals. The company owns or controls 700 service stations. It has the Union Oil Company of Canada with gasoline stations and agencies throughout B. C. and Alberta with a marine terminal storage at Vancouver.

Other interests of the company:

—A 20%-stock interest in the Portland-Montreal Pipe Line—daily capacity 190,000 bbls., providing a continuous system from Portland to Montreal on a year-round basis.

—A 100% interest in B-A Saskatchewan Pipe Line Co. operating a branch line from the Interprovincial pipe line to the company's Moose Jaw plant.

—A 100% interest in the B-A Alberta Pipe Line Ltd. operating a gathering system and terminal facilities in the Redwater field.

—A 15% interest in the $60 million Platte pipe line running from Wyoming oil fields to the large refinery centre at Wood River, Ill.

—One-third interest in Trans-Northern Pipe Line Co., owning a pipe line for the transportation of the finished product from Montreal to Toronto and Hamilton with a spur line to Ottawa.

—A 100% interest in British American Oil Producing Co. (Del.) which at the end of last year owned or had interests in 1,532 oil and gas wells in 13 U. S. states.

—A 100% interest in Toronto Pipe Line Co., operating an extensive gathering system of pipe lines in six U. S. states.

Other wholly owned subsidiaries: British Alberta Petroleums Ltd.; British American Tankers Ltd.; Sovereign Royalties Ltd.; Western Oil Co.; Heathdale Agencies Ltd.

At the end of last year, the company owned or had an interest in 95 oil and 8 gas wells in the Turner Valley, Leduc, Redwater, Glen Park and Whitelaw fields, Alberta, and Daly and Roselea fields, Manitoba. It held under lease or reservation a net total of 1,763,140 acres in B. C., Alberta, Saskatchewan and Manitoba, and large permits in the Northwest Territories.

In Western Canada last year, it drilled 52 wells—21 producers (including four new discoveries), 11 dryholes, 20 for exploration and acreage acquisition. Two large discoveries and several minor were made in Manitoba.

In the U. S., of 141 wells drilled by or on behalf of the company, 86 were oil producers, 7 gas producers. Significant discoveries were made in Colorado, Oklahoma and North Texas and an important gas discovery in West Texas. Proven oil reserves in the U. S. rose to 83 million bbls. at the end of the year. More than 30 producing wells were completed by the company in the first quarter of 1954.

Net developed oil reserves in Canada and the U. S. were 110 million bbls. at the beginning of this year.

Consolidated net profit for 1953 was $19,735,437 compared with $14,130,399 the year before.

Earnings per share were $2.40 on the common stock as against $1.78 in 1952. Dividend rate increased to 85c per share per annum in July, 1954 from 70c.

Cdn. Oil Companies

Canadian Oil Cos. is engaged in the refining, distribution and sale of gasoline, motor oils, lubricating and industrial oils, grease, kerosene, anti-freeze and a number of oil product specialties. The products are sold under the names of White Rose and En-Ar-Co throughout Canada, except in Newfoundland and British Columbia.

The company owns a refinery at Froomfield, near Sarnia, Ont., built and operated by a wholly owned subsidiary, Canadian Oil Refineries Ltd. Refinery was built at a cost of $22 millions and came into production early in 1952. The plant embraces catalytic cracking and catalytic reforming, using a platinum catalyst, and has a rated capacity of 20,000 bbls. of crude oil daily. Operations of the company's former refinery at Petrolia stopped in 1952.

Company's $2 million oil and grease plant on the St. Lawrence River, Montreal, was destroyed by fire in April, 1953. Completely rebuilt, it was reopened in May, 1954.

Consolidated net profit for the fiscal year ended Dec. 31, 1953, amounted to $1,514,901, 20.9% higher than consolidated net for the previous year of $1,253,414. Earnings per preferred share came to $18.94 in 1953 ($15.67 in 1952) and dividends in both years were $8, $5 and $4 on the 8%, 5% and 4% respectively. New common shares earned $1.06 and paid 50c in dividends.

President W. Harold Rea recently said that operating results of the company were satisfactory for 1954, with sales volume ahead of last year's record level. A moderate improvement in net profit is expected for the year.

Funded debt, said the president, would be reduced by $2 millions in the current year, and the shareholders' equity further improved by retaining a larger proportion of earnings in the business for future use.

The aggressive marketing program undertaken this year through the construction of new service stations has progressed satisfactorily. More than 70 new stations have been completed and more are scheduled for 1955.

Sales volume for 1953 totaled 260,440,415 gals. compared with 204,228,921 gals. in 1952.

Husky Oil

The purchase of Riverlake Oils Ltd. including the refinery at Fort William, Ont., and of the Moose Jaw refinery of Trans Empire Oil Ltd. were notable developments by Husky Oil & Refining Ltd. within the last two months.

Husky plans to expand the Fort William refinery capacity to 5,000 bbls. a day. Other plans for Fort William are: a new platform unit to make high-grade gasolines; a diesel-desulphurization unit for low sulphur diesel fuels; a new asphalt refinery and manufacturing plant for all types of asphaltic products; expansion of marketing outlets for gasolines and diesel fuels. A recently concluded deal for 100 acres of waterfront adjacent to the refinery will provide shipping docks able to accommodate the largest seagoing ships sailing the Great Lakes on completion of the St. Lawrence Seaway.

At Moose Jaw, daily capacity will be expanded from 2,000 to 5,000 bbls. Husky now owns three refineries—the third at Lloydminster—and plans to boost total capacity by 6,000 to 18,500 bbls. daily.

Husky undertook a $1-million construction program due for completion this year at its Lloydminster refinery to boost refined product capacity by 50% to about 8,500 bbls. daily.

In 1953, Canada Western Distributors Ltd., operating stations in Edmonton and Calgary areas,

(Continued on page 58)

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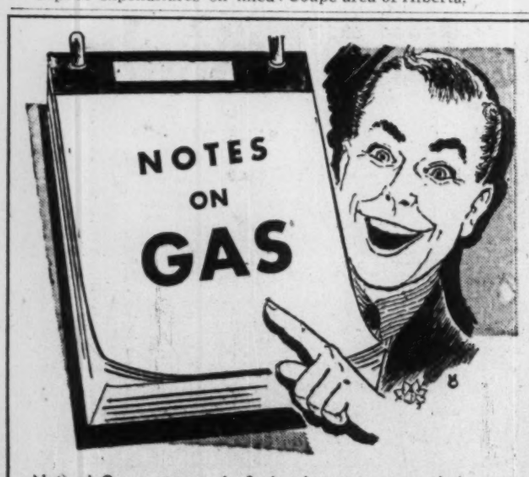

Natural Gas customers in Saskatchewan are now being supplied from two fields, with Saskatchewan Power Corporation lines now supplying gas from the Coleville field, as well as the Brock Field. Distribution systems have been built in Sutherland, Vanscoy, Tessier, Harris and Zealandia, bringing the total number of distribution centres in Saskatchewan to 12 on the Coleville-Brock-Saskatoon Natural Gas system operated by the Saskatchewan Power Corporation. To date in 1954, the Saskatchewan Power Corporation have added over 30 miles of Transmission line in the Coleville area. Over 8,000 Natural Gas customers are now being supplied from the two fields, of which over 1,000 are commercial customers.

SERVING SASKATCHEWAN'S OIL INDUSTRY . . .

The Saskatchewan Power Corporation is now serving an increasing number of oil wells each year. At the present time the corporation is also building a 72,000 volt highline to serve the Cantaur, Success and Fosterton oil fields.

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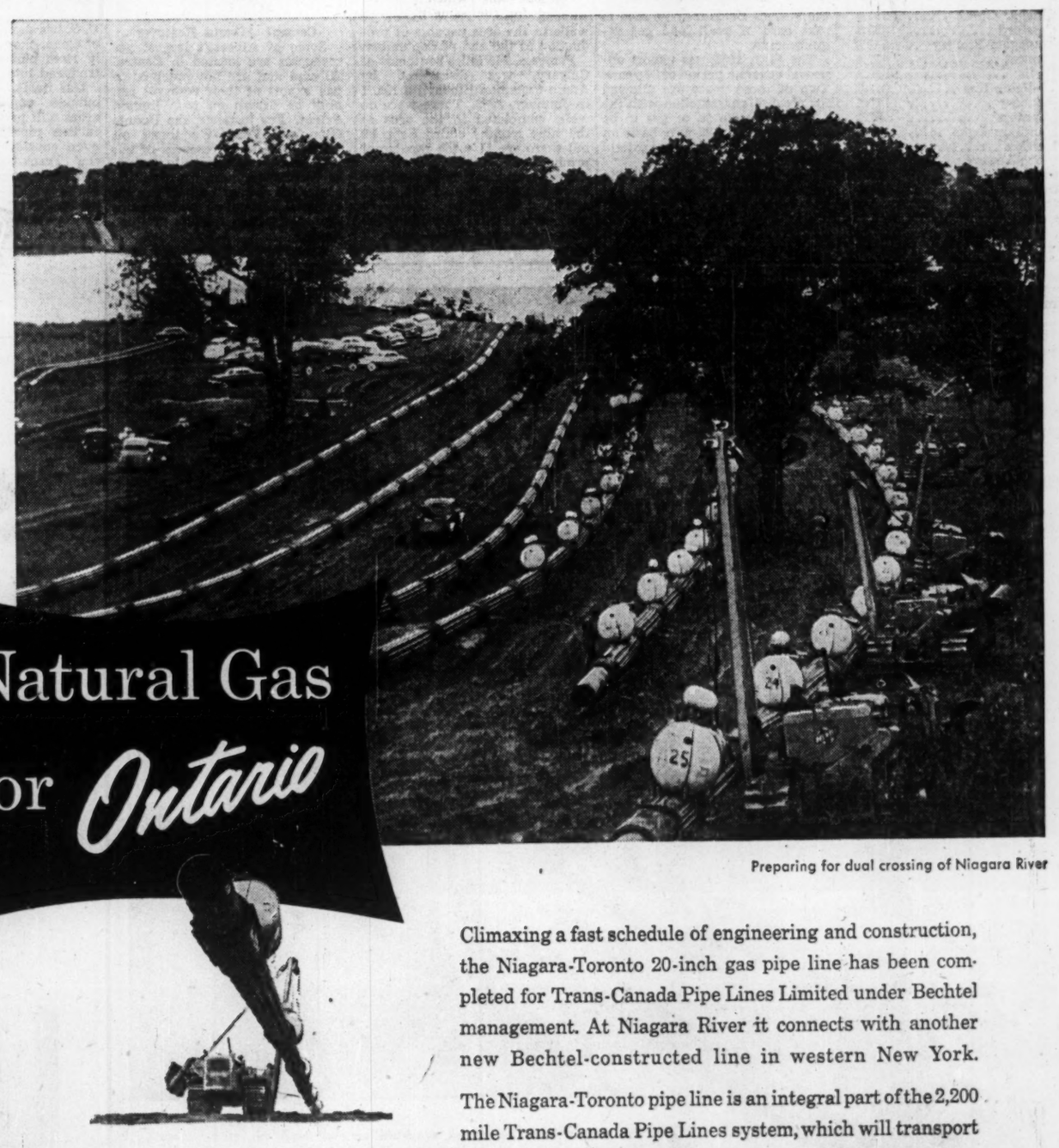

Natural Gas for Ontario

Preparing for dual crossing of Niagara River

Climaxing a fast schedule of engineering and construction, the Niagara-Toronto 20-inch gas pipe line has been completed for Trans-Canada Pipe Lines Limited under Bechtel management. At Niagara River it connects with another new Bechtel-constructed line in western New York.

The Niagara-Toronto pipe line is an integral part of the 2,200 mile Trans-Canada Pipe Lines system, which will transport natural gas from Alberta to Ontario and Quebec. As the first unit in this far-reaching project the Niagara-Toronto gas line is an important milestone in Canadian progress.

Wherever a pipe line is to be built the complete Bechtel service is available: *economic studies, basic* and *detail design, field engineering, procurement of rights of way* and *material,* and *construction.*

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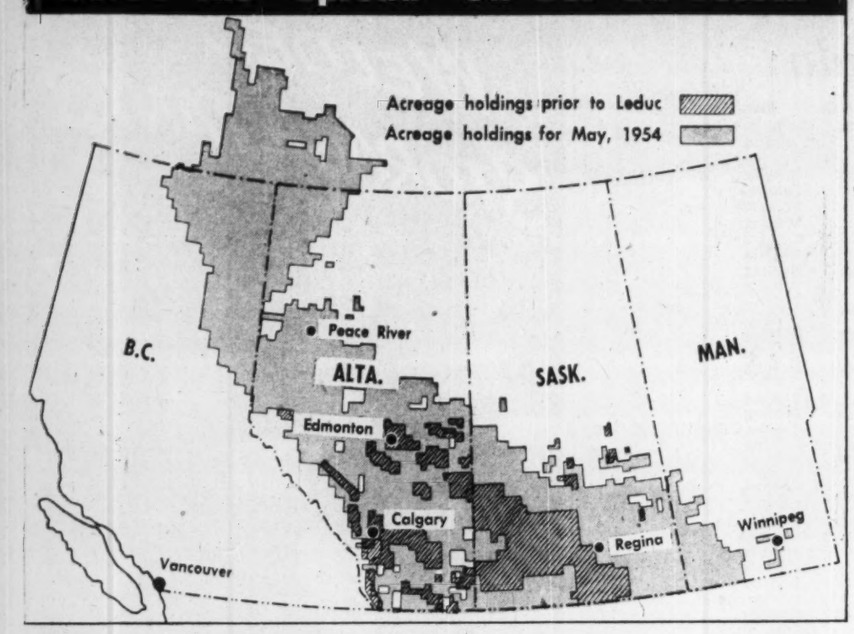
Here's The "Spread" On Our Oil Search



Saskatchewan Oil Hopes Soar

Output Jumps 81% In Year, Search Concentrated

Progress in the Saskatchewan oil and gas industry is indicated by impressive figures. The period 1949 to 1954, with the rapid growth of an oil and gas program, has witnessed the most striking economic development of the province in the past few years.

In 1942, Imperial Oil began exploration on a regional basis on 15 million acres in Southern Saskatchewan under special agreements which ended in 1945. Although some interest continued in intervening years, it was in 1949 that one of the largest land plays in the history of oil exploration in Canada developed. In 1949 from $4 millions to $5 millions was spent in oil exploration. Since that time almost $200 millions has been spent, in exploration and development, resulting in 11 light oil, 31 medium oil and 36 heavy oil discoveries as well as the discovery of 29 gas wells.

In 1953, more than $8 millions was spent in refinery expansion in Saskatchewan, and during the current year a further $10-million expenditure is planned to complete projects started in 1953 and for new construction during 1954. The past 10 months have also seen the discovery of 13 new oil wells, including four light, five medium and four heavy, as well as the discovery of nine new gas wells.

At the end of September, 1954, a total of 211 exploration permits were in force covering 26.104 million acres of crown-owned mineral lands, and 1.989 million acres of crown-owned mineral lands were held by various oil companies under 2,007 leases. Some 23.4 million acres of freehold land are undergoing exploration as well. There are an additional 11.6 million acres in 116 permits open. These permits are offered by the Government to the industry under a sealed bonus bid auction system.

1,011 Wells

Oil wells capable of production as of Oct. 30, 1954, numbered 1,011, as compared to 746 at the same time last year and 792 at the end of 1953. Latest figures available show that as of Aug. 31, 1954, there were 662 producing oil wells. New oil wells to Aug. 31 were 184 and new producers, 201.

A total of 1,125 oil and natural gas wells were potential producers at Oct. 30, 1954. Gas wells capable of production at Oct. 30 were 114, of which 14 were new gas wells and three were new gas producers.

Gas and oil wells drilled during 1954 to Aug. 31, including abandonments and undetermined wells, number 489 compared to 678 drilled for the whole of 1953. Footage of oil and gas wells has increased slightly this year being 1,589,774 as of Aug. 31, compared to 1,420,309 at the same time last year.

Progress can best be measured, however, by production, and in this respect a remarkable increase is noted not only from the beginning of the five-year period, 1949-54, but from year to year. In 1949, 782,188 bbls. of oil were produced, 1951, 1,249,281 bbls., 1952, 1,696,504 bbls., 1953, 2,788,087, and in 1954 to Aug. 31, 3,039,685. The figure this year is an increase of 81% over the 1,672,697 bbls. which were produced for the same period last year.

The value of crude oil produced this year to Aug. 31 is $4,858,463, as compared to an estimated $3 million for the same period in 1953.

Production of natural gas also has shown a tremendous increase. Figures for 1951 are 860,082 mcf., 1952, 1,138,641 mcf., 1953, 1,536,968 mcf. and 2,843,683.39 mcf. up to Aug. 31, 1954. At the same time last year production was only 803,949.80 mcf. The value of natural gas to the producer up to Aug. 31, 1954 was $151,634.58. It is estimated that in the year 1955, 10 million bbls. of oil will be produced, in 1956, 14 million, and in 1960, 42.8 million bbls. will be produced. In 1955 an estimated production of 10 billion cu. ft. of gas is expected.

Saskatchewan has gone far in exploration of oil and natural gas and has reached the development period in proven fields. Proven oil reserves are now estimated in official quarters at 243 million bbls. as compared to 23 million bbls. in 1951. Refinery expansion during the past five years will bring the capacity of 11 refineries up to 67,350 bbls. per day by the end of 1954. In 1951, refinery capacity was 42,000 bbls. per day.

The Province's indicated gas reserves, which include probable, possible, and additional reserves are estimated by the Department of Mineral Resources at a trillion cu. ft.

With production up, the problem of transportation, distribution and markets has come to the fore. Medium gravity crude oil will soon be transported through a new 153-mile pipeline from Fosterton to Regina. Oil from the 16-inch pipeline, recently completed by the Southern Saskatchewan Pipeline Corp., will be fed into Interprovincial Pipeline storage facilities at Regina for further shipment to U. S. refineries where this type of crude can be economically processed than locally.

Saskatchewan refineries are geared to the processing of light oil from which a high proportion of gasoline is obtained. They were designed, after the discovery of Leduc, in 1947, to handle a light gravity Alberta crude. The majority of Saskatchewan discoveries have been of medium gravity (22-30 A.P.I.) and are not suited to refining in the province's oil plants, as the proportion of gasoline recoverable is small compared to other products. On completion, in Minnesota, of a line similar to the South Saskatchewan Pipeline, Fosterton oil will be piped to refining facilities of the Great Northern Oil Co. in the Minneapolis-St. Paul area.

It is estimated that the Fosterton-Regina Pipeline, with an initial through-put capacity of 20,000 bbls. per day will, by June of 1955, handle 15,000 barrels per day for the Fosterton field.

Gas Policy

In 1952 the Provincial Government announced its policy of public ownership of natural gas transmission and distribution in the province and designated the Saskatchewan Power Commission as the agency responsible for the ownership and control of transmission lines.

Natural gas transmission to serve the people of the province began in 1952 when a line and distribution system was completed from the Brock field to service the areas of Brock and Kindersley at a cost of about $350,000. In 1953, a 102-mile transmission line was completed from Brock to Saskatoon and began operating in October. This project cost more than $6.5 million. During 1954 the Power Commission completed a 30-mile, 10-inch line linking the Coleville gas field to the Brock-Saskatoon pipeline, connecting in seven wells in that area previously drilled and two new gas wells presently being drilled.

A lateral distribution system was also built this year to the towns of Sutherland, Vanscoy, Tessier, Harris and Zealandia.

Trans-Canada Pipelines' proposed 2,200-mile line scheduled for completion by 1956 will provide another outlet for the province's natural gas, with gas for sale in Saskatchewan, Manitoba and Minnesota by the fall of 1955. When this occurs, the Saskatchewan Power Corp. will construct laterals from the Trans-Canada Line to the southern cities of Swift Current, Moose Jaw and Regina. Market and design studies for distribution in these cities have been in preparation for the past year and a half.

On March 11, 1951, the Saskatchewan Government announced a policy allowing the export of natural gas, designed to safeguard the longterm provincial requirements and at the same time provide incentive to producers for the exploration, discovery and production of the natural gas resources in the province.

The Government will allow the export from the province of natural gas produced in the province should any interprovincial pipeline, to the satisfaction of the Government, guarantee for the duration of its life:

(a) Supplies of natural gas at reasonable rates sufficient to meet the provincial requirements of the province; and

(b) An adequate share of the export market for natural gas produced in Saskatchewan.

If the above stated guarantees are not obtained, the Government will allow the export of natural gas on the basis of the following formula:

(a) The export from the province of natural gas produced in the province will be allowed after the establishment of a proven reserve for provincial use of one trillion cubic feet, such provincial reserve to be increased by 50% of reserves proven over one trillion cubic feet, and 25% of reserves proven over three billion cubic feet.

(b) Saskatchewan will reserve the right to restrict the export from the province of natural gas produced in the event that the provincial reserve will be reduced by such export or at any time it is determined that the production allowable for any one year is insufficient to meet provincial demand.

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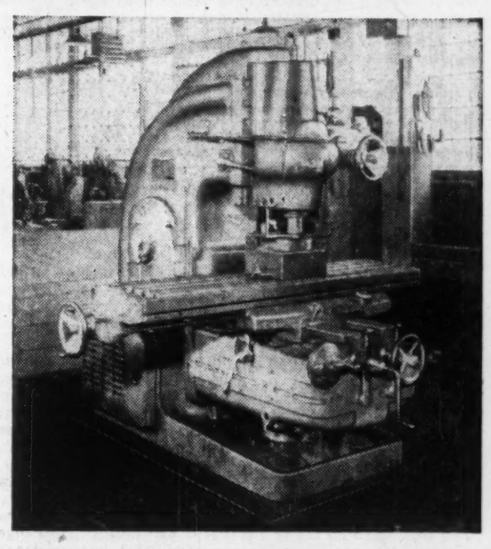

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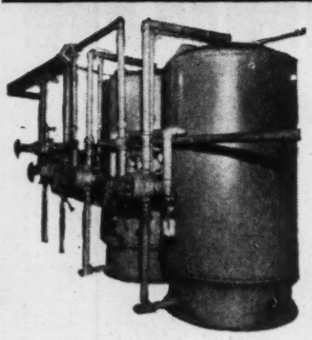

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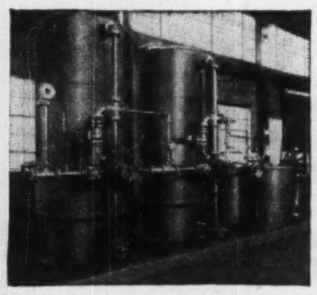

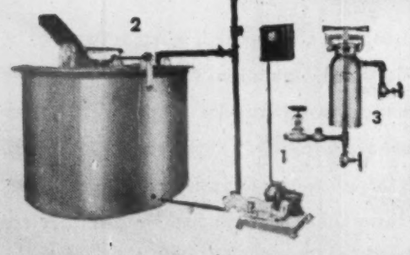

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Here's Where Oil, Gas Drilling Stands Now

Reports on More Than 500 Wells In Western Canada

More than 500 wells are being drilled, are temporarily halted or have just been completed as successes or abandoned as failures in Western Canada. Here are the facts about each, who is the main participant in it, where it is, and what progress it is making. The name of a well ordinarily consists of the abbreviated company names of the one or two most important participants, the district, and a number which distinguishes the well from others which the same "team" of oil companies is drilling in the same area. Location of the well is given by the numbers of the legal subdivision, section township and range west of which meridian of longitude. When an oilwell is designated, for instance, as a Mississippian oilwell, the adjective indicates what geological horizon the well was found in.

Manitoba

West of Prime Meridian:

Area	Well	Location	Depth	Remarks
Lulu Lake	Royalite Triad et al Lulu Lake-3	15-14- 1-21w1	3,106	Drilling
Medora	Dakota Oils Cassan 5-23	5-23- 3-24w1	....	Location
Pierson	Imperial Pierson 14-2m	14- 2- 3-29w1	....	Location
"	Imperial Pierson 15-2m	15- 2- 3-29w1	....	Location
"	Northern Devel. Pierson 8-11	8-11- 3-29w1	....	Location
"	Imperial Pierson 12-12m	12-12- 3-29w1	....	Location
"	Imperial Pierson 5-15m	5-15- 3-29w1	3,394	Mississippian Oilwell
Broomhill	Cleary Wilson 15-22	15-22- 5-28w1	3,100	Abandoned
Pipestone	Sapphire South Pipestone 12-24	12-24- 6-26w1	2,700	Drilling; Latest report
Spruce Woods	Great Northern Spruce Woods 1	16-21- 8-12w1	2,673	Abandoned
Woodnorth	Cal. Standard Woodnorth 5-28	5-28- 8-27w1	2,346	Drilling
"	B.A. Union Woodnorth 12-28	12-28- 8-27w1	....	Location
"	B.A. Union Woodnorth 16-28	16-28- 8-27w1	....	Location
Algar	Dome Harris Cox Algar 1-13	1-13- 9-24w1	2,283	Abandoned
Kool	B.A. Union Kool 10-1	10- 1- 9-28w1	....	Location
Cromer	B.A. Union Lyons 2-12	2-12- 9-28w1	2,546	Standing cemented
"	B.A. Union Hayhurst 3-14	3-14- 9-28w1	....	Location
"	B.A. Union Hayhurst 4-14	4-14- 9-28w1	....	Location
"	B.A. Union Hayhurst 6-14	6-14- 9-28w1	....	Location
"	Sooner P.F. Rutledge Hayh'st 1-15	1-15- 9-28w1	....	Location
"	Sooner P.F. Rutledge Hayh'st 2-15	2-15- 9-28w1	....	Location
"	Souris Rutledge Coulter 11-15	11-15- 9-28w1	....	Location
"	Souris VL. P.F. Rutl'ge Hay. 14-15	14-15- 9-28w1	1,000	Drilling
Daly-Virden	Cal. Standard Daly 1-29	1-29- 9-28w1	2,620	Drilling
Daly	Cal. Standard Daly 8-29	8-29- 9-28w1	2,591	Mississippian Oilwell
"	B.A. Union Roach 1-32	1-32- 9-28w1	....	Location
"	B.A. Union Ritchie 3-33	8-33- 9-28w1	....	Location
"	B.A. Union Ritchie 4-33	4-33- 9-28w1	....	Location
Ebor	Dome Harris Cox H.B. Ebor 2-26	2-26- 9-29w1	....	Location
Griswold	Sapphire North Griswold 8-1	8- 1-10-23w1	1,798	Drilling
Virden-Rose	Can. Prospect Virden-Rose. 5-30	5-30-10-25w1	1,950	Mississippian Oilwell
"	Imperial Virden 4-23m	4-23-10-26w1	2,080	Mississippian Oilwell
"	Imperial Virden 7-23m	7-23-10-26w1	....	Location
"	Cal. Standard Virden 15-24	15-24-10-26w1	2,040	Mississippian Oilwell
Daly	Cal. Standard Daly 15-1	15- 1-10-28w1	....	Location
"	Can. Superior Grieve 5-5	5- 5-10-28w1	....	Location
"	Can. Superior M. & H. 14-5	14- 5-10-28w1	....	Location
"	Cal. Standard Daly 13-13	13-13-10-28w1	516	Drilling
Butler	Sapphire N.W. Butler 1	4-16-10-29w1	....	Location
N. Virden-Rose.	B.A. Union Bekker 4-4	4- 4-11-25w1	....	Location
Virden-Rose.	Cal. Standard Scallion 2-10	2-10-11-26w1	2,057	Mississippian Oilwell
Lenore	Imperial Blossom 3-17	3-17-12-24w1	1,826	Drilling
Norman	Imperial Norman 4-27	4-27-13-23w1	....	Location
Latest New Locations				
Melita	Cleary McCallum 4-32	4-32- 3-26w1	2,689	Drilling
Pierson	Cal. Standard Pierson 9-11	9-11- 3-29w1	....	Location
Daly	Cal. Standard Daly 14-21	14-21- 9-28w1	....	Location
Virden-Rose.	Can. Prospect Roselea 12-30	12-30-10-25w1	....	Drilling
Daly	Cal. Standard Daly 3-24	3-24- 9-28w1	2,484	Stand. cem.
Virden-Rose.	Cal. Standard Virden 14-24	14-24-10-26w1	1,956	Drilling
Daly	Cal. Standard Daly 11-13	11-13-10-28w1	516	Drilling

Saskatchewan

West of Prime Meridian:

Nottingham	Imperial Nottingham 9-26	9-26- 4-32w1	3,464	Drilling
Newlands	Tide Water Cent. Leduc Earlswood	1-19-14-38w1	....	Location
Red Jacket	Cal. Standard Red Jacket 10-5	10- 5-15-31w1	2,509	Drilling
West of Second Meridian:				
Coronach	Socony Sohio Coronach 15-11	11-15- 1-28w1	....	Rigging
Oxbow	Imperial Oxbow 15-36-2-3	15-36- 2- 3w2	4,305	Drilling
Frobisher	Can. Gulf Can. Devon. Quinn 15	15-34- 3- 4w2	4,656	Charles Oilwell
"	Can Gulf Can. Devon. Collopy 11	11- 2- 4- 4w2	1,560	Drilling
Steelman	Imperial Browning 1-8	1- 8- 4- 5w2	2,692	Drilling
Lampman	Can. Gulf Can. Devon. Walter 5	5-14- 5- 6w2	5,905	Drilling
Midale	Shell Midale B9-20	9-20- 6-10w2	....	Location
"	Shell Redlich 15-7	15- 7- 6-10w2	....	Location
"	Dome Cox Imper. West Midale 9-27	9-27- 6-11w2	4,618	Coring
"	Shell Huntoon A13-22	13-22- 7- 9w2	....	Location
"	Shell Innes A10-28	10-28- 7-10w2	....	Location
Ralph	Central Del Rio Ralph 14-6	14- 6- 7-13w2	4,152	Drilling
Talmage	Texaco Sun Plymouth A-9-30	9-30-10-12w2	3,885	Drilling
Pangman	Shell Pangman A-4-27	4-27- 7-20w2	5,137	Circulating
White Bear Lk.	Tide Water Ajax White Bear 4	9-12- 9- 3w2	4,780	Drilling
Forget	Tide Water Forget Crown 10-11	10-11- 9- 7w2	....	Location
Wapella	Imperial Wapella 4-33A	4-33-14- 1w2	....	Location
"	Imperial Wapella 15-33A	15-33-14- 1w2	....	Location
"	Tide Wtr. North Wapella Cr. 14-22	14-22-15- 1w2	3,110	Abandoned
Keller	Socony Sohio Keller 29-8	8-29-20-27w2	....	Location
Craik	Tide Water Craik Crown 1	3-15-24-29w2	2,740	Drilling
Devil's Lake	Seaboard Devil's Lake 13-16	13-16-27- 5w2	....	No report
"	Seaboard Devils Lake Crown 6-32	6-32-27- 5w2	1,600	Abandoned
Dafoe	Imperial Dafoe 7-9-31-19	7- 9-31-19w2	....	Location
Okla	Imperial Okla 4-29	4-29-35- 8w2	....	Rigging
Bures	Imperial Bures 7-16	7-16-36- 8w2	....	Location
West of Third Meridian:				
Climax	Tide Water Climax Crown 3	9- 7- 2-18w3	4,402	Coring
Arena	Canada South. Shell Arena . 14-9	14- 9- 2-25w3	4,450	Abandoned
Consul	Can. So. Co-op. Calvan Consul 1-2	1- 2- 4-27w3	4,551	Abandoned
Dollard	Tide Wtr. East Dollard Crn. 5-18	5-18- 7-19w3	....	Location
"	Tide Wtr. East Dollard Cr. 13-21	13-21- 7-19w3	4,650	Abandoned
"	Tide Water East Dollard 5-11	5-11- 7-20w3	315	Drilling
Cypress Hills	Amur. Trs. Emp. Co-op. For. 1-10	10-27- 9-24w3	5,220	Abandoned

(Continued on page 64)

How The Refinery Firms Are Doing

(Continued from page 56)

was acquired as a wholly owned subsidiary.

Husky is a producer and refiner of black crude oil and is developing its production of light oil and natural gas. It owns or holds interests in 209 producing oil wells and 36 producing gas wells, and in 2,696,608 acres in Alberta and Saskatchewan.

Last year, it separated from its parent company, Husky Oil Company of Wyoming. A new corporation, Canadian Husky Oil Ltd., took over the 60% interest previously held by the Wyoming company.

In the first six months of this year, sales of refined products totaled $2,692,463 compared with $2,495,989 in the first half of 1953. Consolidated net earnings in the 1954 period were $105,362 as against $102,923 for the six months ended June 30, 1953.

In 1953, earnings dropped sharply to 27c per common share from 72c in 1952, despite increased refinery income. This reflected book profits on drilling of properties for others in 1952 which was not repeated last year.

Consolidated net profit for last year was $529,736 as against $1,414,869 the previous year. Consolidated gross income was $8,007,351, including $6,240,213 net refining sales, compared with a gross income of $8,463,941, including $5,462,052 net refining sales in 1952.

No common dividends have been paid to date. Outstanding at Dec. 31 last were 1,957,857 common shares. A new offering of $3,500,000 of 6% preferred stock of $50 par value was made in June, 1954, a portion of the proceeds to be used to redeem the outstanding 2,346 preference 6% shares of $100 par value, and the balance for general corporate purposes.

Imperial Oil

Imperial Oil Ltd. next year will start a $25-million project to more than double capacity at their refinery at Halifax. The plan, involving replacement of nearly all existing plant with a new refinery will boost present capacity of 18,000 bbls. daily to 41,625 bbls. daily, is scheduled for completion by April, 1956. A utility plant and processing equipment will include one of the largest catalytic cracking units in Canada.

The company which produces, refines and distributes petroleum and products, is the largest of its kind in Canada. Gross crude oil production in 1953 averaged 90,063 bbls. daily and totaled 32,873,008 bbls.—19% more than in 1952, 41% of all Canadian production. It owns 1,570 oil wells and 113 gas wells.

Other projects announced this year by the company were:

—A highly mechanized packaging plant and a mechanical shop and a laboratory for supervising product control at Sarnia, costing $6 millions. The packaging plant will handle Sarnia's refinery shipments of lubricants and other products in drums and smaller packages.

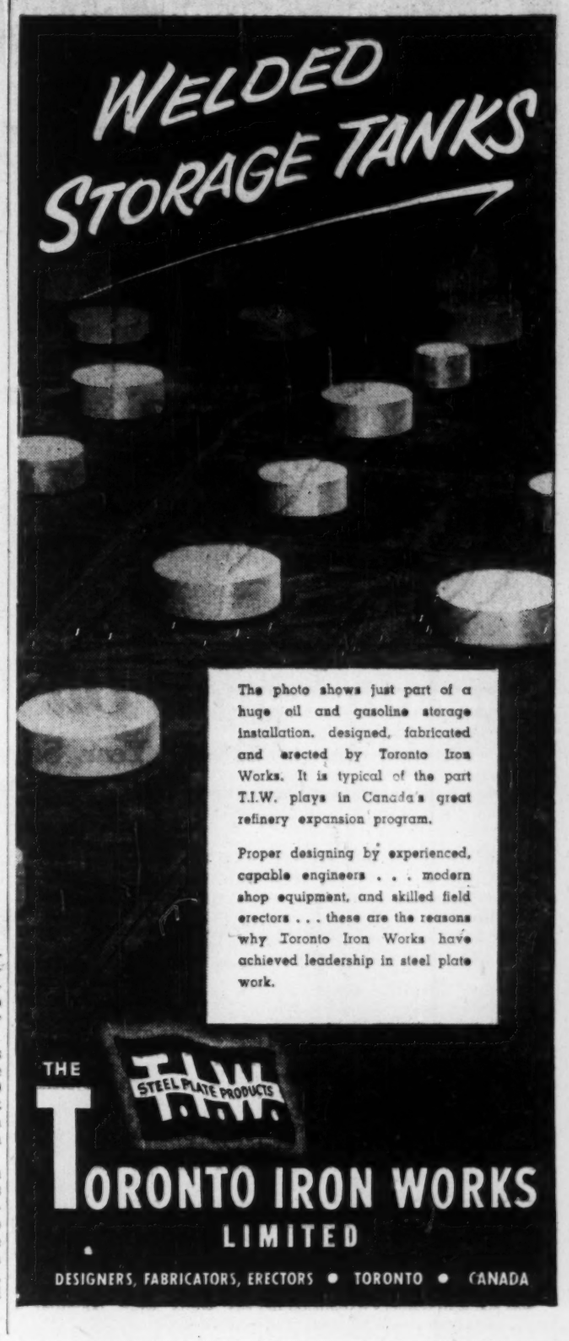
—A $14-million lubricating oil plant at Edmonton. First in the West and second largest in Canada, it will have a capacity of 2,000 bbls. a day of automotive and industrial oils. Facilities will include a catalytic reformer, a phenol treating unit, a ketone dewaxing unit and a packaging plant and warehouse.

—Additional equipment worth $2.9 millions to be installed at its Ioco refinery, Vancouver, with completion due late next year. It includes a catalytic polymerization unit, and a naphtha fractionator will enable refinery to produce still higher quality gasolines.

Also announced this year was completion of negotiations by the company for the sale of 4,550,000 gal. of gasoline to Japan—first overseas export of Canadian gasoline made from Canadian crude.

This year also saw completion of $7-million process units at its Regina refinery—a two-year project increasing refinery capacity to 22,500 bbls. a day. Units include a fluid catalytic cracker, a vacuum distillation unit, treating plants, a technical building, mechanical shops.

(Continued on page 64)



The photo shows just part of a huge oil and gasoline storage installation, designed, fabricated and erected by Toronto Iron Works. It is typical of the part T.I.W. plays in Canada's great refinery expansion program.

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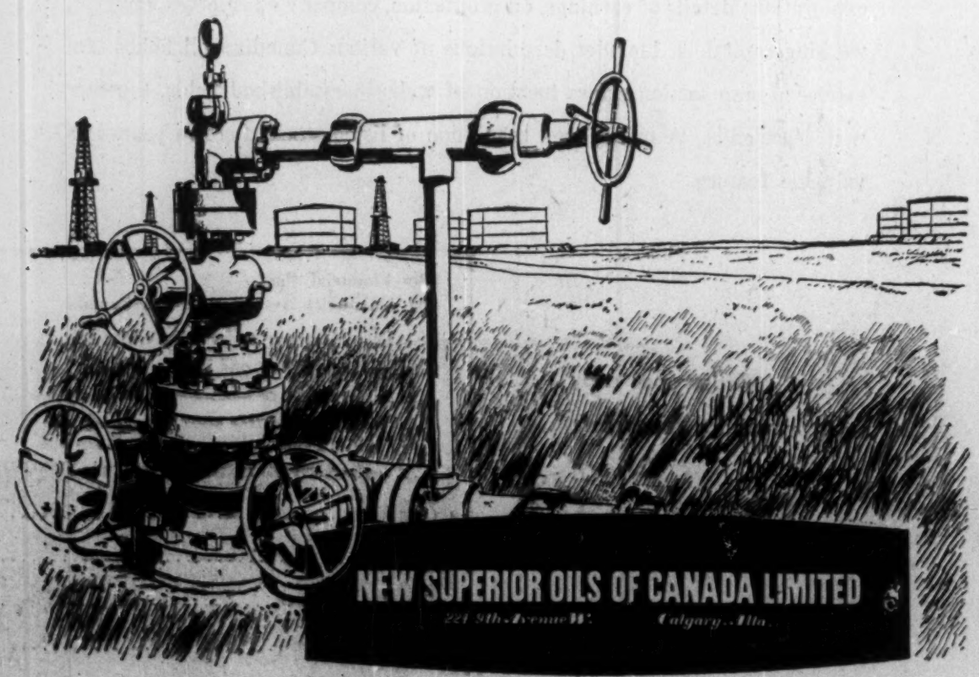

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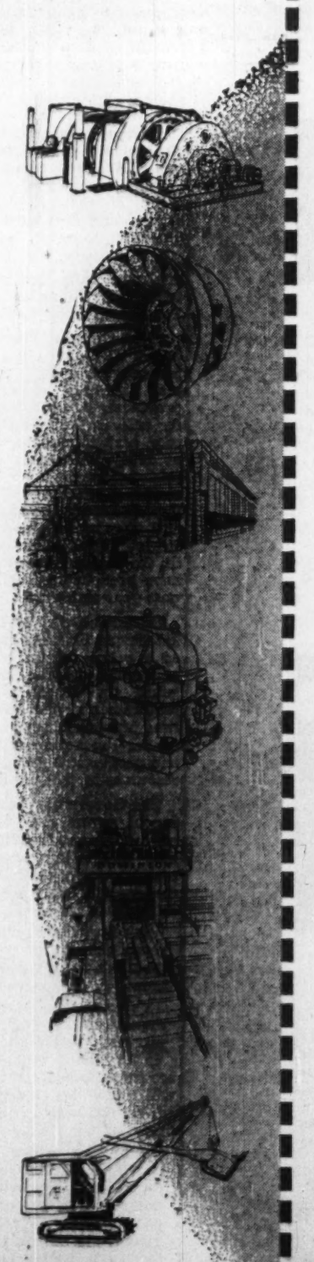

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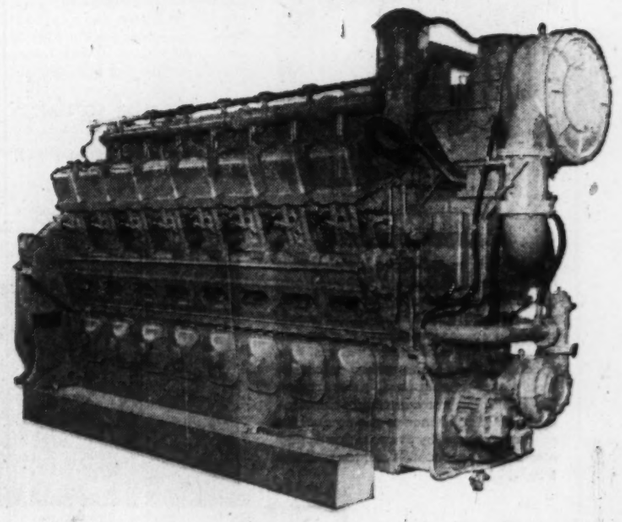

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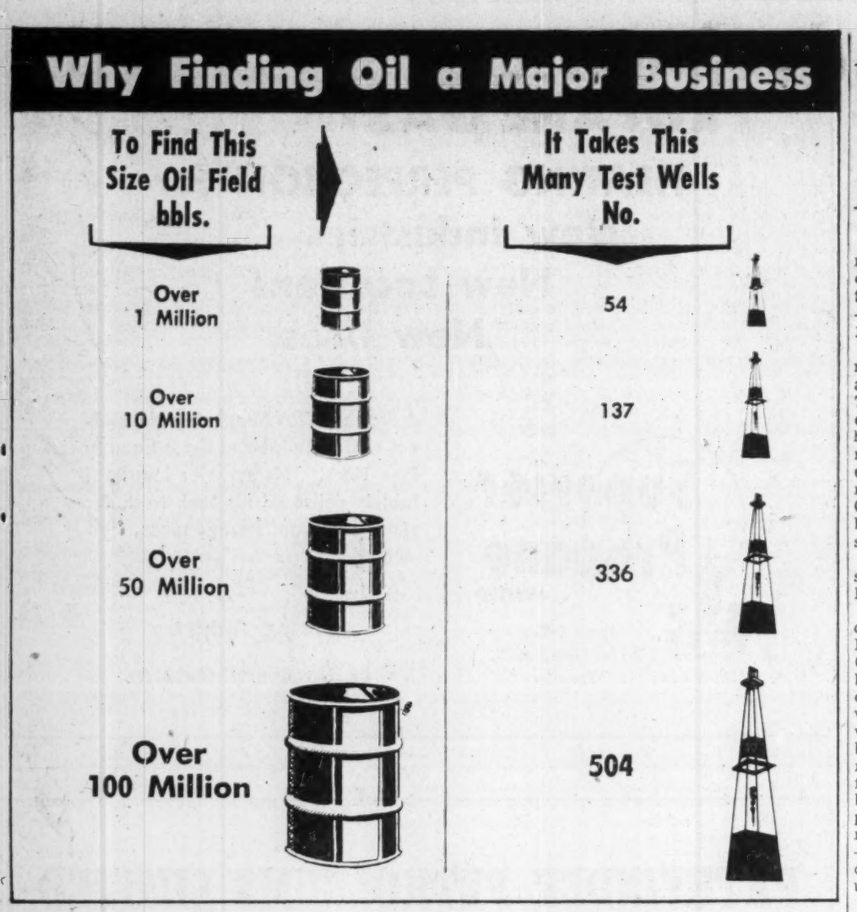

Eastern Canada's Oil Probe Gets Into Higher Gear

Only a small part of Canadian natural gas and crude oil output originates east of the Prairies in the industrial heart of the country —14.8% and 0.3% respectively in 1953, nearly all of it in Ontario.

Yet exploration and development continues in Eastern Canada, and on an increasing scale. This year in Ontario, for instance, exploration expenditures may be hitting around the $3.5 million-mark, up considerably from 1953's estimated $2.5 millions. Companies such as Imperial, Union Gas, Calvan Consolidated, and a number of others, are active on the scene.

The East also often provides its share of gas and oil ventures a little out of the ordinary.

For example, about two miles off the Port Alma shoreline of Lake Erie, a company called Consolidated West Petroleum has been conducting Canada's first offshore drilling program in deep water for natural gas. A dozen wells, all successful, have been brought in underwater, and they represent an extension of the famous Southwestern Ontario Tilbury gas field. The last few will produce anywhere from one million to 2.5 million cu. ft. daily —a substantial amount—and the drilling program is being stepped up.

Or take the studies aimed at seeing whether North America's oldest oil field can be made to yield a bigger harvest of crude. Oil springs, as the field is called, is in Lambton County, Ont., and has produced over 10 million bbls. since the late 1850s, but production is now down to a meagre 26,000 bbls. a year. The current theory is that if the field can be repressurized with water, more of the oil known to be lying underground might be recovered.

Union Gas Co. of Canada reports continued success this year in exploration and development of natural gas reserves of Southwestern Ontario.

Two Discoveries

By the end of October, the company had made two new discoveries, and reported excellent success in developing known gas-producing areas. The two new discoveries, like most of those in recent years, were made in Lambton County, and work will now be launched to determine the reserves in these two areas.

Besides the discoveries, Union has brought in six important development wells this year. Two had open flows equal to or topping 40 million cu. ft., indicating a formation with a high degree of porosity and deliverability. Open flow is the volume of gas delivered at the top of the well against atmospheric pressure in 24 hours.

The company has also continued its joint drilling program with Imperial Oil Ltd., bringing in two additional development wells this year.

At the end of October, estimated total reserves controlled by the company or available under contract, after taking into account all gas produced, remained virtually unchanged from the beginning of 1954 at about 142 billion cu. ft.

Of major importance this year was signing of a new contract last April between Union Gas and Panhandle Eastern Pipe Line Co. This calls for import of up to 15½ billion cu. ft. of gas from the U. S. annually, in addition to the 5½ billions already being imported each year.

Upon authorization permitting import of this additional gas, Union plans to build a large-diameter pipeline from its underground storage station to the vicinity of Hamilton. This will supply natural gas to the Hamilton-Oakville area and other communities along the route, such as Stratford, Kitchener, Waterloo and Guelph.

The contract will be cancelled when Alberta gas is available to the company in Ontario, but it is expected that the proposal to import U. S. gas will bring natural gas to Hamilton and the other communities at least one or two years ahead of present Trans-Canada plans.

Await Approval

Application for approval of the new contract, and the granting of an export permit, is now before the Federal Power Commission in Washington. Hearings are due to start shortly, and a decision is expected in time to build the Dawn-Hamilton line next summer, and thus bring natural gas to these communities by fall of 1955.

Union in 1954 again took its full annual volume of 5½ billion cu. ft., under the original Panhandle contract. This was received at the rate of about 30 million cu. ft. daily, starting April 1, and imports ceased for the year on Oct. 1. Most of this gas went directly into underground storage in Dawn Township. Gas in storage at the close of October totaled over 10 billion cu. ft., ample reserve against any probable peak load demand occurring during the winter months.

Currently Imperial Oil has approximately a dozen drill rigs on exploration or development work on lands adjacent to Lake Huron and Lake Erie.

Imperial Oil, of course, is an old hand in the Eastern Canada picture, and has a substantial

(Continued on page 61)

B.C. Prepares for a Gas Boom

Hope Peace River Reserves Prove 'Biggest Thing Yet'

British Columbian are hoping their Peace River natural gas fields will become the biggest thing on the continent.

Provincial officials say that in the short period of active exploration the rate of wildcat discovery (about one productive gas well for each two drilled) hasn't been exceeded anywhere on the continent.

And they are convinced that, up to now B.C. has only "scratched the surface"—hardly begun, in fact, to realize its vast potential.

Scattered drilling began in the Peace in 1947, but it was only three years ago that work got under way in earnest.

Here is the record since then as presented in the latest available information from the Coal and Petroleum Board:

—Wells operated, 101;
—still drilling, 5;
—suspended, 6;
—abandoned, 47;
—completed as gas wells, 45.

Estimates On Reserves

The rate of discovery has been so rapid that no current figures are available on proven reserves. But it's estimated that on the B.C. side of the border reserves run to three trillion feet, with another two trillion feet on the Alberta side of the Peace River region.

So far seven areas in the Peace have been proved up, the biggest being Fort St. John, site of the original discoveries and the biggest proven reserves.

The others: Buick Creek and West Buick Creek, lying north and west of Fort St. John; Red Creek, south of that again; Pingel Creek, south of Fort St. John and Kiskatinau, south and east of Fort St. John near the provincial border.

British Columbia has a chance of emerging as an oil province. Oil has been found two miles west of the Alberta boundary, 25 miles northeast of Fort St. John in the Triassic formation at 4,310 ft. by Socony-Vacuum and associates.

Further news on this strike is awaited. Pacific Petroleums was sure they had an oil well at Buick Creek early this year, but it failed to prove up.

Provincial officials and oil company geologists are confident that oil in quantity will eventually be found.

Big Companies Interested

Pacific Petroleums is still the biggest driller in the Peace. But provincial officials say bigger oil companies are nearing completion of three years of geological and geophysical work and are expected to begin accelerating their drilling programs this winter.

Reports from the Peace indicate this winter may see a lot of work. Early frosts have been reported and the hope is that this will harden the ground to permit movement of equipment—a big problem in this muddy, virtually roadless area.

Pacific Petroleums, as the biggest operator so far, has had an enviable record: Of 69 wells undertaken, 36 have been gas wells, 26 have been abandoned, four suspended and three are still drilling.

Westcoast Transmission's long-drawn-out hearings before the U. S. Federal Power Commission for permission to extend its gas line through B. C. to the Pacific Northwest, and the Commission's rejection of their application in favor of Pacific Northwest Pipeline Corporation of the U. S. has had a depressing effect on B. C.'s exploration program.

But, at this writing, there are persistent, well-founded reports that Westcoast is coming to an agreement with Pacific Northwest which will permit the B. C. line to be built.

U. S. Needs Gas

Reports here indicate Pacific Northwest has been running into difficulty in attempts to sign up enough gas to justify its projected line from the San Juan Basin in Colorado and New Mexico.

If, as has been persistently predicted, some kind of deal is worked out with Westcoast, it is expected to bring a real exploration boom in the Peace.

Changes in B.C.'s Coal and Petroleum Act this year by the Legislature have been well received by the industry. Some of the changes were designed to place a penalty on those sitting on potential oil and gas lands without active exploration.

The Peace far outstrips other regions of B. C. as an exploration area, with more than 26 million acres under permit, license or lease.

The Flathead area in Southeast B.C. and the Crowsnest Pass continue to get attention, but at present there is no active drilling program under way. Companies hold, or have applied for, a total of 831,009 acres, chiefly Standard of California and Pacific Flathead.

In Central B.C., covered by Quesnel land recording district, 14?,000 acres are under permit, but there has been no drilling of consequence since the 'thirties.

The Gulf Islands and the West Coast of Vancouver Island continue to get sporadic attention by those who think there is a possibility that the coastal area may hold formations similar to those along the coast of California.

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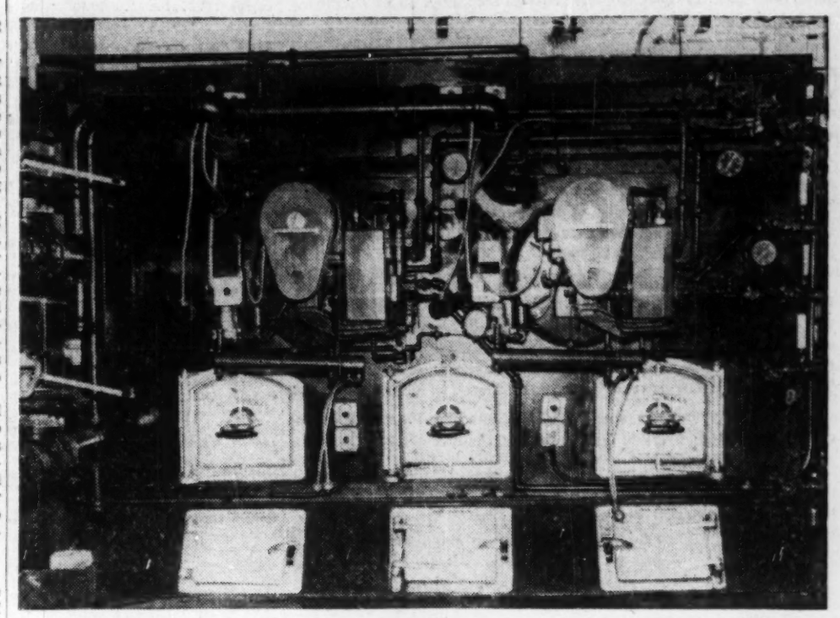

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How Much Petroleum Does Canada Have?

How many barrels of oil do we know we have in Canada, today? Figures of two billion and three billion barrels, and even higher, have been quoted—aside entirely from oil contained in the McMurray bituminous sands.

Wide variation in reserve statistics is usually due to the equally wide variation in methods of oil "accounting." Some estimates are of solely proven oil, others are for a much larger quantity of "indicated" oil. Still others allow something for geological expectations for additions to known oil pools.

Probably the most widely accepted figure for Canadian crude oil reserves today are those of the Canadian Petroleum Association. Including 198.1 million bbls. of liquids contained in natural gas, these reserves were estimated at the end of 1953 at 2,043,548,000 proven bbls. of 35 Imperial gal. each.

In making its estimates, the Canadian Petroleum Association has assigned only a limited area to each new discovery even though the Association's reserves committee may believe that eventually a much larger area will produce. This practice is followed because the Association is concerned only with actually proved reserves. The Association's figures may thus be considered as minimum figures.

Here is the "balance sheet" of the Canadian Petroleum Association on Canadian crude oil reserves at the end of 1953:

1953 CRUDE OIL & NATURAL GAS LIQUID RESERVES

	Proved Reserves as of Dec. 31 1952	1953 Additions Due to Extensions and Revisions	Proved in New Fields and in New Pools in Old Fields in 1953	Pre-duction During 1953	Proved Reserves as of Dec. 31, 1953	Changes in Reserves During 1953
	Thousands of Barrels					
CRUDE OIL						
Northwest Territories	26,767	.....	.....	325	26,442	—325
Alberta	1,528,389	143,194	31,731	76,818	1,624,496	98,107
Saskatchewan	124,247	1,609	59,101	2,798	182,159	57,912
Manitoba	2,106	6,360	3,080	656	10,890	8,784
*Ontario and New Brunswick	.....	769	979	313	1,435	1,435
Total Canadian Crude Oil	1,679,509	151,932	94,891	80,910	1,845,422	165,913
†**NATURAL GAS LIQUIDS**	65,374	91,675	42,323	1,248	198,126	132,752
Total Liquid Hydrocarbons	1,744,883	243,607	137,214	82,156	2,043,548	298,665

*Not reported December, 1952.
†All natural gas liquids located in Alberta.

The minimum character of the above estimate of reserves is easy to discern. Allowance for additional oil in 1953 was only 98.1 million bbls. for Alberta.

A feature of 1953 was discovery of the Pembina oil field in June. Numerous estimates of the oil contained in this field have been made and it is generally thought that the field will ultimately yield a billion barrels of oil by primary methods and that there will be a substantial further recovery of oil by secondary methods as well.

On its method of estimating reserves, the Canadian Petroleum Association could no doubt make only a minor allowance for Pembina oil in 1953. But as the productive limits of this great new field become known, and productive potentialties enhanced, proven oil reserves may jump close to a billion barrels to the three billion barrel level because of Pembina alone.

About a score of potentially significant new oil discoveries have been reported in Western Canada this year despite the lower pace of exploratory drilling. Aside from Pembina altogether, there appears to be fairly good reasons for thinking that extensions to older fields and new discoveries have been more than offsetting crude oil produced.

Here's Record Of Alberta Oil Progress

Field	Years found	Location	Depth of main zone ft.	Producing zones	Original recoverable reserves bbls. ('000)	Output to July/54 bbls.
Acheson	1952	8 m. W of Edmonton	4,600	Devonian D2	2,000—3,000	273,328
	1950		5,050	Devonian D3	70,000—80,000	6,293,869
Alliance	1951	100 m. SE Edmonton	3,150	Cretaceous	1,000—1,500	60,890
Armisie	1951	8 m. SE Edmonton	4,050	Cretaceous	1,000—2,000	245,047
Barons	1950	85 m. SE Calgary	4,100	Cretaceous	400—800	124,007
Bashaw	1951	70 m. SE Edmonton	3,800	Devonian D3	200—400	118,965
Battle	1953	50 m. SE Edmonton	3,150	Viking	750—1,000	94,702
Baxter Lake	1951	120 m. E Edmonton	2,200	Cretaceous	400—600	75,807
Big Valley	1950	85 m. NE Calgary	5,200	Devonian D2	8,000—10,000	1,748,007
			5,350	Devonian D3	750—1,000	301,812
Bon Accord	1949	20 m. NE Edmonton	3,600	Devonian D2	2,000—2,500	301,201
Bonnie Glen	1952	40 m. SM Edmonton	7,000	Devonian D3	185,000—200,000	9,399,863
Bonnyville	1951	115 m. NE Edmonton	1,150	Cretaceous	*	98,210
Campbell	1949	8 m. N Edmonton	3,700	Cretaceous	1,500—2,000	234,066
Cessford	1952	115 m. E Calgary	2,900	Cretaceous	6,000—7,000	205,490
Chamberlain	1951	5 m. E Edmonton	3,650	Cretaceous	800—900	64,125
Chauvin	1952	150 m. E Edmonton	2,050	Cretaceous	4,000—6,000	162,054
Clive	1951	80 m. S Edmonton	6,200	Devonian D2	700—800	85,806
	1952		6,300	Devonian D3	1,500—2,000	201,971
Conrad	1944	45 m. SE Lethbridge	3,100	Jurassic	2,000—2,200	1,477,202
Del Bonita	1942	45 m. S Lethbridge	3,150	Rundle	*	196,438
	1953		6,200	Banff		
Dina	1928	152 m. E Edmonton	1,800	Cretaceous	No estimate	127,391
Drumheller	1951	70 m. E Calgary	5,400	Devonian D2	4,000—6,000	583,326
Duhamel	1950	45 m. SE Edmonton	4,450	Devonian D2	5,000—6,000	528,705
			4,750	Devonian D3	4,000—5,000	799,210
Ellerslie	1950	4 m. S Edmonton	5,350	Cretaceous	250—300	130,859
Erskine	1952	100 m. NE Calgary	5,350	Devonian	4,000—5,000	142,993
Excelsior	1949	15 m. NE Edmonton	3,900	Devonian D2	14,000—16,000	3,496,625
Fairydell	1953	25 m. N Edmonton	4,050	Devonian D3	4,000—5,000	141,905
Fenn-N Big Valley	1951	90 m. NE Calgary	5,250	Devonian D2	95,000—100,000	5,010,664
	1952	Twps. 35 and 36	5,300	Devonian D3	300—400	10,847
Glen Park	1953	25 m. SW Edmonton	4,600	Cretaceous	800—1,000	31,879
	1952		5,500	Devonian D2	400—500	29,982
	1951		6,200	Devonian D3	13,000—14,000	862,288
Golden Spike	1951	15 m. SW Edmonton	5,000	Devonian D2	1,700—1,800	113,977
	1949		5,600	Devonian D3	120,000—130,000	5,226,157
Hamilton Lake	1952	135 m. NE Calgary	2,900	Cretaceous	.....	84,742
Joarcam	1949	40 m. SE Edmonton	3,200	Viking	50,000—60,000	10,348,995
Joffre	1953	90 m. S Edmonton	4,900	Viking	5,000+	195,073
Leduc-Woodbend Gilbert pool	1948	10 m. SW Edmonton	4,200	Cretaceous	2,500—3,000	940,131
Leduc-Woodbend N. Woodbend pool	1951	12 m. SW Edmonton	4,250	Cretaceous	2,000—2,500	393,022
Leduc-Woodbend W. Devon pool	1951	15 m. SW Edmonton	4,350	Cretaceous	600—700	66,936
Leduc-Woodbend	1947	14 m. SW Edmonton	5,000	Devonian D2	80,000—85,000	29,481,647
	1947		5,300	Devonian D3	160,000—170,000	57,396,935
Legal	1952	25 m. N Edmonton	2,800	Viking	700—800	121,844
Lloydminster	1939	140 m. E Edmonton	1,850	Cretaceous	No estimate	6,114,819
Malmo	1952	55 m. SE Edmonton	4,650	Cretaceous	1,400—1,600	144,266
	1952		5,050	Devonian D2	6,000—6,500	749,143
	1952		5,250	Devonian D3	3,500—4,000	388,640
Namao	1951	9 m. N Edmonton	3,650	Cretaceous	3,000—3,500	157,763
New Norway	1951	50 m. SE Edmonton	4,650	Devonian D2	5,000—6,000	592,795
	1951		4,900	Devonian D3	750—1,000	191,880
Peavey	1952	20 m. N Edmonton	3,500	Cretaceous	2,000—2,500	96,281
Pembina	1953	70 m. SW Edmonton	5,200	Cardium	§	98,210
Princess	1940	140 m. ESE Calgary	3,275	Cretaceous		
	1944		3,300	Mississippian	1,200—1,400	921,877
	1946		4,000	Devonian		
Redwater	1948	30 m. NE Edmonton	3,200	Devonian D3	700,000—750,000	97,665,254
Rimbey	1953	70 m. SW Edmonton	8,000	Devonian D3	20,000—25,000	125,275
Samson	1953	50 m. S Edmonton	4,800	Cretaceous	1,000—1,500	24,234
Skaro	1951	35 m. NE Edmonton	3,650	Devonian	100—200	18,528
Spring Coulee	1950	130 m. SE Calgary	6,000	Mississippian	200—300	30,564
Stettler	1949	100 m. NE Calgary	5,200	Devonian D2	15,000—16,000	1,649,794
	1949		5,300	Devonian D3	7,000—8,000	722,497
Sturgeon Lake	1952	200 m. NW Edmonton	8,750	Devonian D3	‡	28,521
Sunnynook	1953	110 m. E. Calgary	3,400	Cretaceous	300—400	1,045
Taber	1942	35 m. E Lethbridge	3,200	Cretaceous	2,000—2,500	1,673,240
Turner Valley	1914	40 m. SW Calgary	2,500	Cretaceous	No estimate	525,178
	1924		4,000+	Madison	135,000—140,000	116,160,127
Vermilion	1939	115 m. E Calgary	1,800	Cretaceous	1,400—1,600	1,347,277
Wainwright	1926	115 m. SE Edmonton	2,200	Cretaceous	*	459,019
West Drumheller	1952	65 m. NNE Calgary	5,550	Devonian D2	15,000—16,000	1,014,460
	1953		5,650	Devonian D3	2,500—3,000	47,189
Westerose	1952	45 m. SW Edmonton	7,200	Devonian D3	55,000—60,000	1,556,444
Whitemud	1949	7 m. SW Edmonton	4,000	Cretaceous	200—300	143,844
Wizard Lake	1951	30 m. SW Edmonton	6,300	Devonian D3	100,000—110,000	6,484,454

*Development not sufficient for estimate.
§Development not sufficient for accurate estimate; indicated in excess of 500 million barrels.
‡Development not sufficient for accurate estimate; indicated in excess of 100 million barrels.
Source: September, 1954, compilation of Petroleum & Natural Gas Division, Canadian Bank of Commerce.

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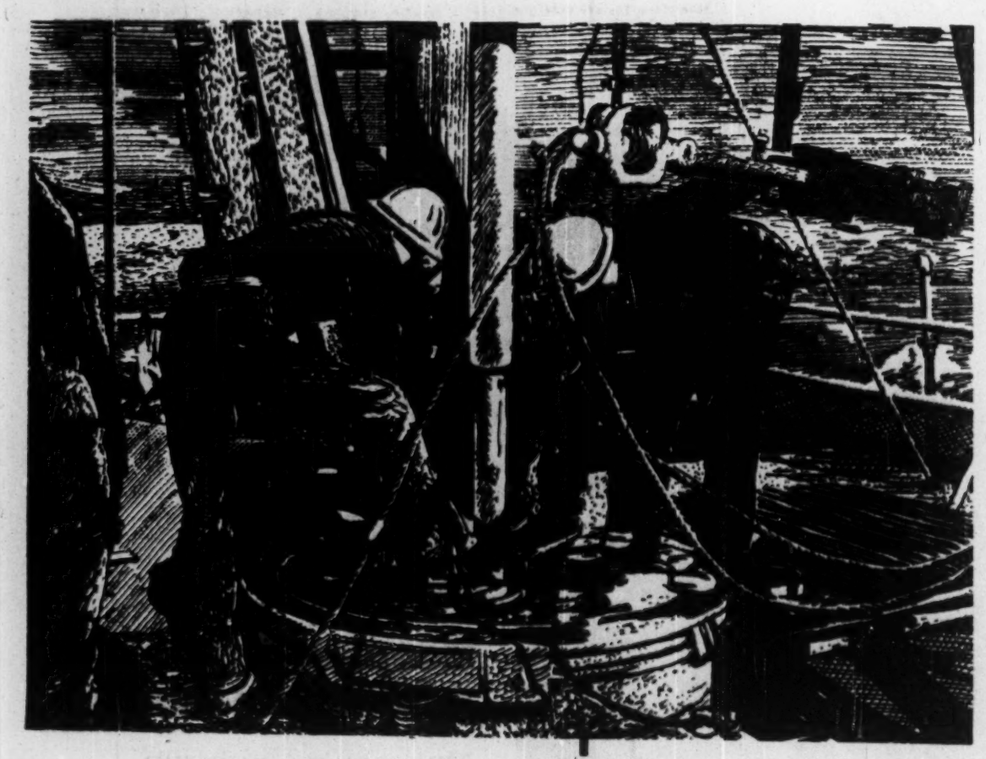

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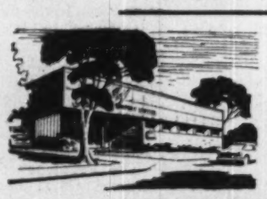

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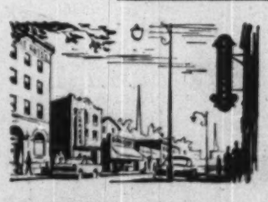

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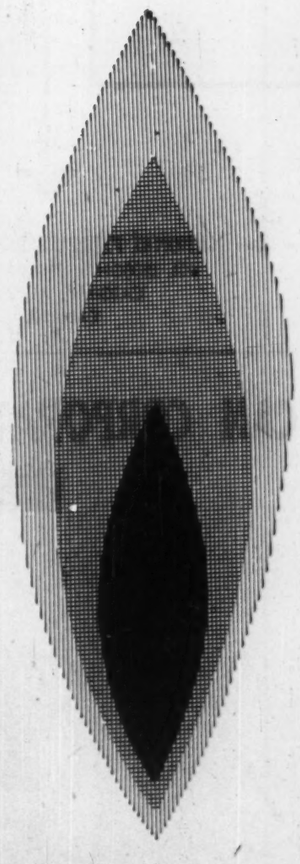

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Here's Performance, Outlook for Gas Companies

Consumers' Gas

Consumers' Gas Co. of Toronto distributes gas in Toronto and surrounding municipalities under a provincial franchise without time limit.

In addition company derives substantial revenue from the sale of residuals produced, including tar and ammonia, and also retains retail stores for the sale of gas appliances.

At the end of last year company was granted permission to enter into an agreement to bring natural gas to Southern Ontario via a gas pipeline from Niagara. At that time it was stated that U. S. gas would be in Toronto before the end of 1954. Under the terms of an agreement between company and Trans-Canada Pipelines Ltd. the latter company was to build the Niagara to Toronto pipeline and lease it to Niagara Gas Transmission Ltd. a subsidiary of Consumers' Gas and Tennessee Gas Transmission Co. It was agreed that when Trans-Canada brings gas from Western Canada to Ontario this lease will be terminated and the flow of gas may then be reversed to carry the western gas to market in the area west of Toronto.

By the terms of its gas supply contract Consumers' was required to have the pipeline into Toronto built by Nov. 1, 1954.

In July the work of building a pipeline got under way and at the same time E. J. Tucker resigned as general manager of the company. He continued however as vice-president and director with the new title of executive consultant. Oakah Jones who had been general manager of Oklahoma Natural Gas Co. was appointed general manager of the company.

Meanwhile preliminary discussions were begun with the Ontario Fuel Board on gas rates.

In Sept. 1954, the company acquired a 100% ownership of Niagara Gas Transmission Ltd. The ownership had formerly been shared with Tennessee Gas Transmission Co., Consumers' owning 65% of the stock and Tennessee 35%.

Later that month at a special general meeting shareholders approved certain charter changes. Under the old bylaws there were certain definite limitations on further indebtedness as long as the present debentures remained outstanding, and certain voting limitations on the common stocks. Plans were to move to bring this in line with the new Ontario Corporations Act which specified one vote for each share of common stock.

Company also asked for the elimination of the right of the City of Toronto to audit the company's books annually. The mayor of Toronto would remain an ex-officio director of the company, however.

Later in the company's annual report for the year ended Sept. 30, 1954, it was stated that the new letters patent and supplementary letters patent had brought the company into conformity with the Corporations Act. In order to provide comparative statements, the accounts for 1953 had to be recast.

Under the new setup there is no longer any need for the company to continue the bond retirement fund, which was transferred to earned surplus.

Another principle change was that the company's charter formerly required the maintenance of a plant and building renewal fund. Amounts were transferred annually from income account to this fund and actual expenditures for repairs and renewals were charged to the fund. The balance now appears as accumulated depreciation of $9,886,3 5.

Under the new bylaws the company in future will charge maintenance directly to expenses and will provide separately for depreciation.

Company has recently refunded its presently outstanding debentures with the proceeds from sale of $9 million first mortgage bonds and borrowed $7.5 millions through the issue of new debentures to complete the natural gas conversion program and for other construction purposes.

Net profit for the year ended Sept. 30, 1954, was $1,843,753. Comparable net profit in the recast balance sheet of the previous year amounted to $1,851,282. Earnings per share in the 1954 year amounted to $1.27. Dividends paid were 80c. A new item in deferred charges is "natural gas conversion costs" at $497,932, and the company's annual report states that these costs will be amortized over a period of several years as an operating expense.

Company is in process of converting customers to natural gas. It is hoped that by February next year conversion will be complete. Company stated that the average price of manufactured gas for residential use in the 10-year period was lowest in 1946 at $1.08 per thousand cu. ft., compared with $1.82 in 1954.

During the conversion period the Ontario Fuel Board has fixed interim rates for imported U. S. natural gas at the existing rates applying to manufactured gas. The fuel board has ordered the company to apply within 60 days for an order fixing rates to be paid by consumers of natural gas after the conversion job is completed.

The company intends to maintain stand-by facilities on completion of conversion. These will consist of watergas equipment and propane air gas manufacturing facilities to manufacture a natural gas substitute for emergency and peak gas demands. A coal gas plant will be disposed of and the land it now occupies will be offered for sale. Cost of the plants to be retired is about $3.5 millions, which will be charged to accumulated depreciation on the books of the company.

Intl. Utilities

International Utilities Corp., through subsidiaries, is engaged in the management and development of natural gas and electrical companies and properties in Alberta. The head office of the company is in New York and its two natural gas utilities, Northwestern Utilities Ltd., and Canadian Western Natural Gas Ltd., operate in Edmonton and central Alberta and Calgary and southern Alberta, respectively. They are the largest of their kind in Canada.

An electrical utility, Canadian Utilities Ltd., operates in eastern and northern Alberta, and in 1953 the company acquired three subsidiaries which distribute propane gas in Alberta, Saskatchewan and British Columbia.

At Dec. 31, 1953, natural gas consumers totaled 110,388 and accounted for an output of 54,-024,000 mcf in 1953. Electric consumers totaled 28,408 and accounted for an output of 82,017,-000 kwh. in 1953. Propane gas consumers totaled approximately 22,600.

Company also handles an investment portfolio.

Expenditures on subsidiaries for additions and improvements in 1953 amounted to $9,235,000. Expenditures for 1954 were estimated at $9,223,000.

Company's subsidiaries consist of:

Canadian Western Natural Gas Co.; Northwestern Utilities Ltd.; Canadian Utilities Ltd.; Northwest Fidelity Trust Co.; Sturdie Propane Ltd.; Hugh Gas Ltd.; and Propane Gas Service Ltd.

Consolidated net profit for the nine months ended Sept. 30, 1954, amounted to $2,346,307 compared with $1,692,180 in the comparable nine months of 1953. Earnings per share in the 1954 period were as follows: preferred — $9.54 ($6.86 in 1953); common—$2.16 ($1.48); Dividends paid amounted to $1.05 on the preferred shares as against $1.05 the previous year; the common shares paid $1.05 in both periods, in U. S. funds.

Consolidated net profit in 1953, was $2,233,399, 17.3% higher than 1952 net of $1,894,777.

President Howard Butcher, III, stated that gross operating revenues for the year, number of customers served, and consolidated net earnings were the highest in the company's history.

Although higher than last year, natural gas sales were not up to expectations because of the abnormally mild weather in the last quarter, said the president. As a result, and also due to higher operating costs, net earnings did not keep pace with increased investments in plants.

Consolidated net income before parent company charges, amounted to $2,401,784. Of this amount, the natural gas subsidiaries contributed 62.3%, electric companies 17.9%, propane gas companies 1.3%. The remaining 17% represented dividend and interest income and other indebtedness including Anglo-Canadian Oil Co.

Gross natural gas revenues were up $1,403,000 (11%) over the previous year. Mcf sales increased 3,476,000 or about 7%. The increase in revenue was due to a 10% rate increase by Canadian Western but both natural gas companies failed by a considerable margin in 1953 to earn the permitted rate of return established by the Board of Public Utility Commissioners of Alberta.

Increase in sales was more than offset by higher expenses and fixed charges, including greater purchases of residue oilfield gas. The president said that if the trend continues Northwestern Utilities may soon apply for a modest increase in the price of gas to its customers.

Both companies are continuing to develop new gas reserves, as further wells were drilled during the year. Sales of electricity showed an increase of 21% over 1952, amounting to $2,895,000.

In August, last year, company acquired all the outstanding stock of Hugh Gas Ltd., the largest distributor of propane gas in Saskatchewan, and the outstanding stock of Propane Gas Service Ltd. In the latter part of the year an aggregate of 79% of outstanding capital stock of Sturdie Propane Ltd., Calgary, was acquired.

The outstanding capitalization of Anglo Canadian Oil Co. was increased from 3,101,195 shares to 3,779,376 upon completion of its amalgamation with Calmont Oils Ltd. Capitalization outstanding at Nov. 11, 1954, consisted of 241,-945 $1.40 cumulative convertible preferred shares par $29; 967,597 common shares par $5.

Canso Gas

Canso Natural Gas is one of the companies that stemmed from the three-way split of the assets of Canada Southern Oils, Ltd. It holds natural gas rights underlying some 1,594,000 net acres in Alberta and Saskatchewan.

In the Smiley-Coleville-Hoosier area of Saskatchewan, the company has interests equivalent to net ownership of about 15 gas wells, which will supply the City of Saskatoon and eventually Prince Albert.

At Cook Lake, a few miles east of Coleville, Canso has a half share in about 81,000 acres surrounding a gas well, and in the Hatton area of southwestern Saskatchewan it has 50% in a field estimated to cover at least 95 square miles of indicated gas reserves.

In the same general district, at Battle Creek, in addition to its gas holdings the company has proven a carbon dioxide zone and two nitrogen zones for production. Negotiations are under way for the sale of one to 10 million cu. ft. daily of carbon dioxide to a dry ice manufacturing plant. In Alberta, Canso has 25% interest in the Sibbald field, which is expected to be one of the first to supply the proposed gas pipeline to eastern Canada.

Total presently proven reserves of gas of the company are estimated to be in excess of 388 billion cu. ft. A 5% gross royalty is also held on any oil production which may be obtained from many of Canso's wildcat holdings. As yet no revenue is being derived from these oil royalties.

Division of the predecessor company into its three successors was effected early this year through an exchange of stocks on the basis of 4 shares of Canso Oil Producers, 5 shares of Canso Natural Gas and 8 shares Canada Southern Petroleums for each 8 shares held of Canada Southern Oils.

Balance sheet of Canso Natural Gas as at Apr. 20, 1954, showed total assets at $3,601,135. Current assets of $449,785 included cash of $51,234 and $195,000 proceeds from sale of investments. Current liabilities were nil.

Cons. West

Natural gas reserves under Lake Erie are being developed by Consolidated West Petroleum. Here, about a mile offshore from the Tilbury gas field in Kent County, southwestern Ontario, the company has so far completed 10 gas producers and plans to drill two more this year.

The natural gas produced is sold to Union Gas Co. and Dominion Natural Gas Co. The largest well, brought in earlier this year, rated an open flow of 2.5 million cu. ft. daily.

Gross sales of gas amounted to $142,242 in the year ended Dec. 31, 1953. After deducting operating and administrative expenses and providing $17,855 for depreciation, net profit for 1953 was $79,697, compared with $42,647 the year before.

Working capital of $34,385 at the close of last year included cash of $16,810. A total of 993,398 common shares is issued out of one million shares authorized.

Eastern Canada's Probe Gets Into High Gear

(Continued from page 59)

stake in Ontario's oil and gas production. It has a producing oil and gas field at Becher, a gas field at Kimball, and a gas field at Corunna, all in the southwestern par. of the province.

Imperial has drilled a great number of exploratory wells in Ontario in recent years. In 1953, it put down 50 relatively shallow wells in Ontario. This summer, the company started exploring some 600,000 acres which lie in blocks along the south shore of the St. Lawrence River between Montreal and Quebec. No drilling will be done until results of other investigations are fully analyzed.

Calvan Consolidated Oil & Gas Co. is another company extremely interested in the east. Last year, the company and its associates granted a farmout of 121,-604 acres in Western Ontario to Imperial Oil, who will spend $300,000 for exploration and development by June 1, 1956 for a 50% interest in the lands. Calvan's residual interest in the lands will total about 30,240 acres.

Imperial launched a large-scale exploration program on the Calvan lands this year. So far, three wells have been drilled, and the last was capped as a gasser. Drilling of an offset has been under way.

Essex County Leases

Meantime, Imperial and Calvan have been picking up leases on Essex County farms. Since Jan. 1, 1954, they have acquired about 650 10-year leases, which cover thousands of acres of oil and gas rights. Most of them are held by Imperial. It is estimated that about one seventh of Essex County has already been put under lease for oil and gas rights.

In Quebec, besides Imperial's program along the south shore of the St. Lawrence, exploration is still under way in the Gaspé Peninsula.

Gaspé Oil Ventures Ltd. and its subsidiary and associated companies have been working for some years now in the Gaspé. Various showings have been turned up, and seepages have been noted in a few parts, but the company has yet to come up with any commercial production. Drilling of several wells has been under way on four different structures.

Farther east, in New Brunswick, oil and gas production is confined to one company—New Brunswick Oilfields Ltd. Its output—all from the Stony Creek field near Moncton—has been dwindling steadily. It totaled 177,112 m.c.f. of gas in 1953, against 202,045 in 1952, and 14,738 bbls. of oil, vs. 14,237. No new oil wells have been drilled by the company since 1945, with all available equipment being used in the search for gas. In 1953, one gas well was deepened on the Stony Creek field, but without success.

In Nova Scotia, deep wells have been drilled by a number of different companies, but so far no commercially recoverable oil or gas deposits have been turned up.

There is some interest in oil exploration in Newfoundland these days, but it is fairly minor. John Fox, the Boston financier, got leases in 1951 at Parson's Pond and St. Paul's Inlet. He did some drilling last year, but apparently found little exciting and was not back this year. Another firm was expected to be on the scene in the western part of the island.

In the early part of this century, Parson's Pond yielded a few hundred bbls. of oil by pumping, but production subsequently dwindled to nothing.

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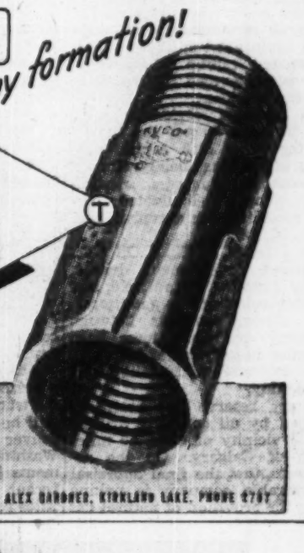

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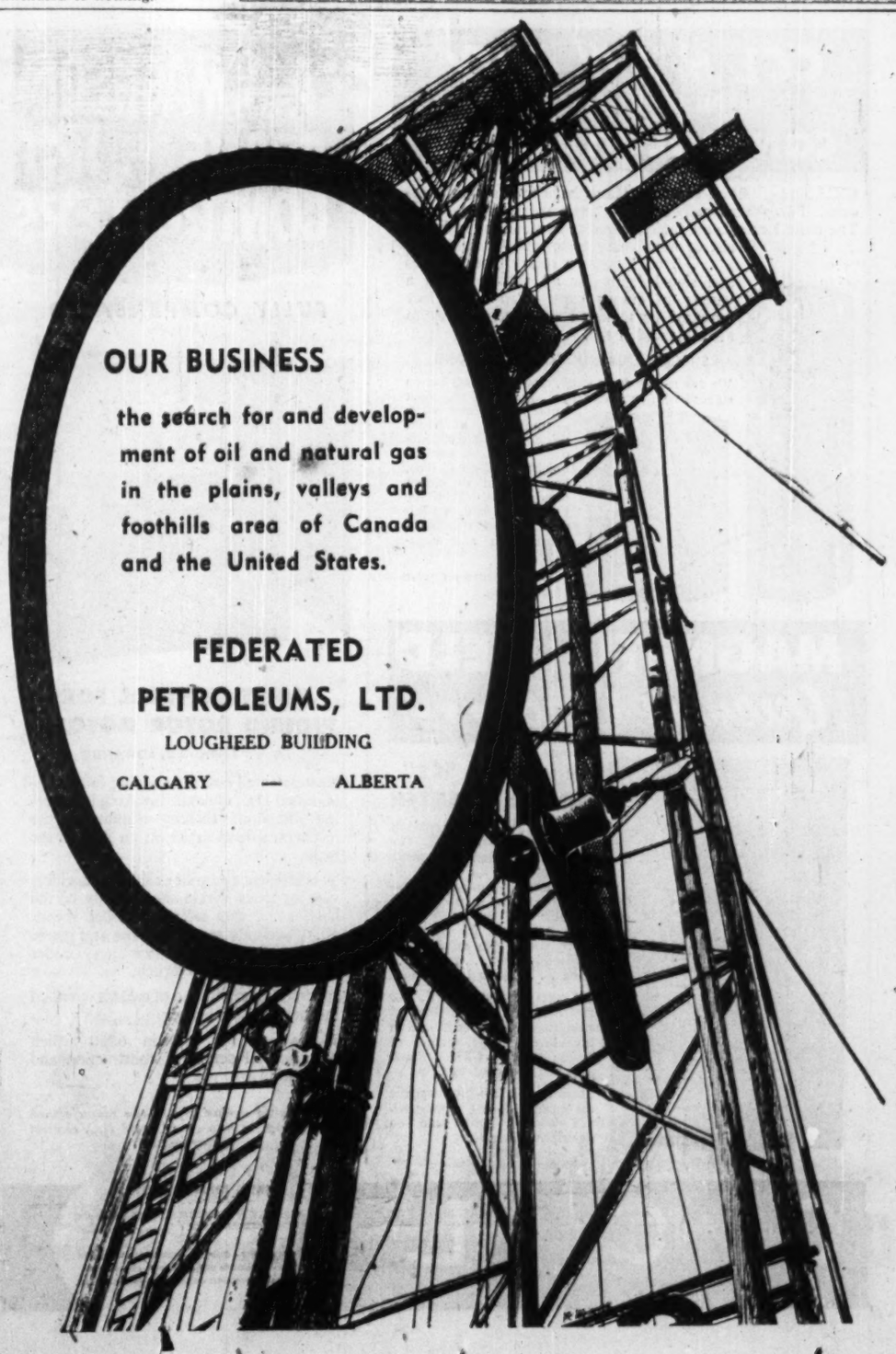

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Canadian Western Natural Gas Co. is controlled by International Utilities Corp. It produces and distributes natural gas for heating, power and industrial purposes to Calgary, Lethbridge and various towns and villages in Alberta, serving a population of over 177,000.

The company owns or controls renewable natural gas leases on approximately 30,000 acres, and participates with others in an additional 25,000 acres in Taber and Drumheller areas. Producing wells are owned in the Bow Island, Brooks and Foremost fields. The company has contracted with the Madison Natural Gas Co. Ltd. (subsidiary of Royalite Oil Co.) for the purchase of gas from the Turner Valley oilfields.

Company owns 372 miles of transmission lines and 472 miles of distributing mains in Calgary, Lethbridge and neighboring towns, necessary equipment and over 240 miles of private telephone lines.

Company's subsidiary, Calgary Gas Co., is inoperative, owning franchises and rights in regard to the supplying of gas to the City of Calgary nominally valued at $2 millions.

Net profit for 1953 was $730,653, 26.6% higher than 1952 net of $576,955.

Total volume of natural gas distributed during the year was about 20.3 billion cu. ft., 6.3% over 1952.

President F. A. Brownie said that the improved net income reflected greater gas sales and full year's effects of the rate increase allowed in February, 1953.

About 4,000 new customers were added during the year, bringing the total to 55,000.

Gross capital additions during the year amounted to $2.3 millions, against $2.1 millions in 1952, anticipated capital additions in 1954 would exceed $2.2 millions, said the president.

No common dividends were paid in order to pay for the financing of a 1953 capital program, all earnings being returned for expansion purposes. In addition, company liquidated certain securities for a capital gain of $1,393,526.

As a result of Shell Oil Co.'s continued development drilling in the Jumping Pound field, and the expansion of the gas processing plants, contracts between company and Shell have been amended to provide for increased peak deliveries of 60 million cu. ft. per day.

A gas reserve has been developed by oil company drilling in the vicinity of Olds, 60 miles north of Calgary. On the assumption that the final appraisal is favorable, company is making plans for provision of natural gas service to Olds and other nearby communities. In November this year company stated that it expected that the cost of carrying out the construction and expansion program in 1954 and 1955 would amount to approximately $4.1 millions, of which about $1.3 millions had been expended by Aug. 31, 1954 and the balance, about $2.8 millions remains to be spent in the following 16 months.

Trans-Mountain P.L.

Trans Mountain Oil Pipe Line Co. owns and operates a pipeline for the transportation of crude petroleum from Edmonton, to Burnaby, B.C.

The line is 718 miles long and was completed in 1953 at a cost of $93 millions. The route followed by the line is all-Canadian, running westward from Edmonton through Jasper National Park, following the CNR line over the Yellowhead Pass to Kamloops, B.C. From there it runs to Merritt and thence down the Fraser Valley to Burnaby.

Operations began in Oct. 1953, and the initial capacity of the 24-in. pipe was 120,000 bbls., with three pumping stations at Edmonton, Edson, Alta. and Kamloops, B.C. A fourth station was completed this year, at Blackpool, B.C.

By stepping up the number of pumping stations to 14 and increasing storage facilities, the capacity of the line can be increased to 300,000 bbls. daily.

Early in 1954, throughput was about 35,000 bbls. a day, but company anticipated that by the end of 1954 total refinery capacity will be 64,000 bbls. a day of which Trans Mountain will be supplying 50,000 bbls. a day following the completion of the Ferndale refinery. The U. S. subsidiary, Trans Mountain Pipe Line Corp., has extended a spur line from a point near Sumas, B.C. to Ferndale, Wash., and a further spur is to be constructed to a refinery at Anacortes, Wash.

The average daily shipment for 1954 is expected to run about 40,000-42,000 bbls. a day. For 1955, refinery capacity is expected to increase to 115,000 bbls. a day with throughput late in 1955 expected to be about 95,000 bbls. a day. Total westward movement of Canadian oil during next year is likely to average 70,000 bbls. daily. Break-even point for the company, at the current rate of depreciation is estimated at 50,000-55,000 bbls. daily.

Primary markets for the crude oil transported through the pipe will be the refineries in the Vancouver area and the State of Washington. No offshore shipments can be expected yet since recent cuts in foreign tanker rates recently reduced the landed cost of Middle East crude below that of Canadian crude at some Pacific ports.

Deficiency agreements are held with various companies, among them Canadian Gulf Oil, Imperial Oil, Shell Oil, Richfield Oil, Standard Oil of B.C., and Union Oil of California. These agreements guarantee sufficient funds to service the first mortgage and collateral trust bonds during the life of the bonds. Repayment of deficiency payments is in cash out of future earnings.

The pipeline tariff for the transportation of crude, based on an initial indicated throughput of 75,000 bbls. a day, is 45c per bbl. In addition, a marine loading charge at Vancouver of 2½c per bbl. was established.

Consolidated net loss from the commencement of operations, Oct. 16, 1953, to Dec. 31, 1953, was $887,268. Provision for depreciation was $621,154. Common shares showed a deficit of 59c.

Capitalization outstanding after giving effect to the issue of 4% first mortgage and collateral trust bonds Series C sold privately in early 1954, consisted of $30 million 4⅛% first mortgage and collateral trust bonds Series A, due 1972; $34,207,500 4% first mortgage and collateral trust bonds Series B, due 1972; $6 million 4% first mortgage and collateral trust bonds Series C, due 1972; 1,500,028 common npv shares. Of the first mortgage and collateral trust bonds, the Series A is Canadian and the other two are U. S.

Interprov. Util.

Interprovincial Utilities Ltd. operates a gas business in the city of Ottawa and surrounding areas. Its franchises are held in perpetuity. The electric business formerly operated by the company was sold to Gatineau Power Co. in Nov. 1950. When it becomes available, company intends to distribute natural gas.

The gas system consists of some 150 miles of mains, and a gas manufacturing plant having a maximum capacity of 1.5 million cu. ft. of gas a day with a standby plant.

Company's net loss in 1953 was $8,171, 39.6% greater than net loss in 1952 of $5,854. Deficit per share amounted to 5.8c in 1953 (4.2c in 1952).

Company said in its latest report that it was encouraged by the progress being made in bringing Alberta natural gas to Ontario, and that it was satisfied that it would be available in Ottawa in due course. A prominent engineering organization had been engaged to make a study of potential business in the Ottawa area.

In 1950 the company protested as excessive the assessment made on its properties by the City of Ottawa for municipal tax purposes. The case is still before the courts.

Capitalization outstanding at Dec. 31, 1953, consisted of 140,000 common npv shares.

Midwestern

Mid-Western Industrial Gas Ltd. was formed in 1952, and has a 20-year contract with Sherritt Gordon Mines to supply gas to the nickel refinery at Fort Saskatchewan, Alta. Although the metallurgical plant is still in the starting-up stage, gas delivery by company already amounts to 3 million cu. ft. per day. At latest report, it was expected that by the end of this year deliveries would be about 9 million cu. ft. per day.

To insure continuity of delivery to Sherritt and to build up a substantial reserve for the anticipated industrial expansion of Alberta, company has acquired gas rights on additional lands covering more than 74,000 acres, all of which is said to contain proven reserves.

Company also holds 122,000 acres of unproven acreage in various important locations in Western Canada. Officially, the contract with Sherritt is due to start on Jan. 1, 1955.

In September this year, company signed a contract for a 10-year duration with Calgary Power to supply natural gas for a new steam-generated power plant under construction at Lake Wabamun, 40 miles west of Edmonton. The contract represents a tripling of output by the company, whose prime purpose is stated to be the acquisition and development of natural gas properties and the sale of its products.

The new steam plant is expected to be in operation by 1956, with first delivery of natural gas scheduled for July of that year. More than adequate reserves have been assured to supply the contract.

Capitalization outstanding at Aug. 31, 1953, consisted of 1,860,000 npv common shares including 750,000 for services and rights.

B. C. Power

British Columbia Power Corp. is a holding company which, through its subsidiaries, controls an extensive system of public services in Vancouver, Victoria and other municipalities of British Columbia. Among other services it supplies gas.

Cubic feet of gas sold in 1953 amounted to 3,846,712,000, 5.4% higher than 1952 volume. Gross revenues from gas operation amounted to $4,589,865, 6% higher than revenues for 1952. Electricity gross revenue, by contrast, amounted to 32.4 millions, and transport $15.1 millions.

Gas extensions on the mainland and Vancouver Island accounted for $388,088 of the capital expenditures during the year which totaled $21.2 millions. Included in this was the cost of connecting 2,705 additional gas customers.

B. C. Power was hoping to get natural gas from the Peace River district if Westcoast Transmission Co.'s application to move gas to the U. S. Pacific northwest was approved. However, this application was turned down by the Federal Power Commission in the U. S.

Now new negotiations between U. S. west coast interests and Westcoast Transmission Co. indicate that a new deal may be agreed to. If this comes off, B. C. Power might be in the running again for a natural gas supply.

Sask. P.L.

Saskatoon Pipe Line Co. was incorporated in 1952 to construct, own and operate a 56-mile pipe line of Interprovincial Pipe Line Co. to the Saskatoon refinery of Hi-Way Refineries Ltd.

The pipe line came into operation on Nov. 1, 1952, with the installation of a temporary pump. Estimated daily capacity is 10,000 bbls.

Company entered into an agreement with Hi-Way Refineries Ltd., which provides that if in any year between 1953 and 1975 the company fails to make net earnings of $255,000 after operating expenses but before bond interest, depreciation and taxes, Hi-Way, subject to certain conditions, will make up the difference.

If the company is unable to pay in full any bond interest, etc., requirements, or to complete the pipeline, Hi-Way will purchase at par 4% unsecured promissory notes of the company to the amount of the deficiency.

In the first two months of its operation, the company recorded a net loss of $62,004, but in the full year ended Dec. 31, 1953, net profit and surplus amounted to $90,418. Earnings per share amounted to 90c and no dividends have been paid. Deficit per share for the two-month period in 1952 was 62c.

Company report said that operations for 1953 reached anticipated earnings and equally satisfactory results were expected in 1954.

Union Gas

Union Gas Co. of Canada, Chatham, Ont., is engaged directly and indirectly, through its various subsidiaries, in supplying natural gas to districts in the southwest of Ontario with a total population of more than 500,000. The markets supplied include London, Windsor, Riverside, Chatham, Sarnia, Petrolia, Wallaceburg, Dresden, Ridgetown, Blenheim, Tilbury, Essex, Wyoming, Alvinston, Thamesville, Bothwell and numerous others.

The system annually sells over 10 million cu. ft. of natural gas, and controls over 300 natural gas wells in Ontario. The number of meters at March 31, 1954, was 84,631, an increase of 3,448 over the previous year.

Natural gas from the company's own wells accounts for only about one fifth of the total sent out. The remainder comes from Imperial Oil under a contract signed in Dec., 1952, providing for certain quantities of gas until March 31, 1967, and Panhandle Eastern Pipe Line Co.

The original Panhandle contract, dated Nov., 1944, remains in effect to this day, but a new agreement for additional volume was signed in April this year after various previous contracts and agreements had proved abortive. The latest agreement provides for 15.5 million cu. ft. in addition to the original 5.5 million cu. ft. already contracted for, and extends for a duration of 20 years from the date deliveries commence. Panhandle's application for permission to export the additional volume is due to come before the Federal Power Commission sometime early in 1955.

The new contract with Panhandle contains a provision permitting Union Gas to discontinue the import of the additional gas when natural gas becomes available from Alberta.

When all the necessary government sanctions are received, company plans to begin the construction of additional pipe line, storage and compression facilities. Present plans provide for the construction of a large diameter pipe line from the Dawn underground storage area to a point east of Oakville, with laterals to the Hamilton area, Guelph, Kitchener, Waterloo, Stratford, St. Mary's and Strathroy.

Consolidated net profit for the fiscal year ended March 31, 1954, amounted to $1,711,242, 8.8% higher than consolidated net of $1,573,455 for the previous year.

Earnings per share in the latest period amounted to $2.42 ($2.23 in the previous year), and dividends paid amounted to $1.40 ($1).

Gross revenue for the year was $10,791,000, an increase of $1,378,000. Operating costs, including

(Continued on page 63)

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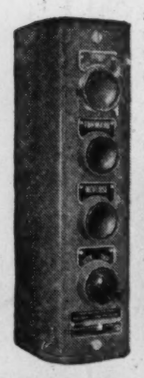

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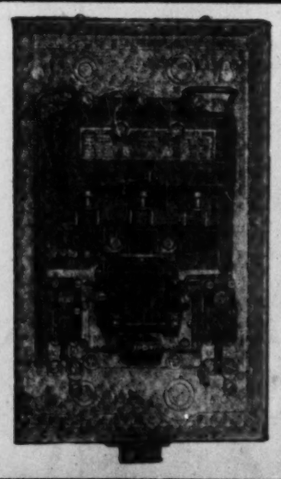

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HEAD OFFICE - CENTURY BUILDING, EDMONTON

How the Gas Companies Are Doing

(Continued from page 62)

taxes, totaled $9,080,000, higher by $1,240,000, and were principally due to increases in the quantities of gas purchased. Additions, improvements and replacements to gas production, transmission and distribution facilities accounted for $1,686,000.

Gas sold amounted to 10 million cu. ft. Residential customers used 58.9% of this, commercial customers 11.3% and industrial 18.4%. The remainder was sold on a wholesale basis for resale.

Interprov. P.L.

Interprovincial Pipe Line Co. with head office in Edmonton, Alta., owns and operates crude oil pipeline from Redwater, Alta., via Edmonton, Regina, and Gretna, Man., to Superior, Wisconsin, and thence to Sarnia, Ont.

The length of the line is approximately 1,770 miles. The original part of the line was completed in the latter part of 1950 and the extension to Sarnia was completed in 1953. Further expansion of carrying capacity is planned for 1954 at an estimated cost of $63 millions to provide for the demand indicated in 1955.

Capacity when the 1954 program is completed is expected to be 205,000 bbls. daily from Edmonton, 170,000 from Regina, 159,000 from Gretna and 138,000 from Superior.

In 1953, 54.2 million bbls. were received in the system, of which 20.4 million bbls. were delivered to prairie refineries and 23 million bbls. loaded aboard tankers at Superior, compared with 41.8 millions, 17.3 millions and 19.9 millions respectively in 1952.

Tankage facilities total 7,144,000 bbls., including 5,055,000 bbls. at Superior.

In 1954, further looping of the Interprovincial and Lakehead system will be undertaken, and additional horsepower provided by new pumping stations, reported President T. S. Johnston. Looping will consist of 600 miles of 24-in. and 26-in. pipe, with most of the pipe and five of the nine new stations to be in Canada.

Consolidated net profit of $4,433,500 for 1953 was 7.9% higher than 1952 consolidated net of $4,107,698.

Construction expenditures in 1953 resulted in an increase of $81,111,947 in fixed assets.

The new common shares earned 88c in 1953, as against $11.65 on the old common in 1952. Dividends on the new common were 15c, on the old $1.50, the same as in 1952.

Capitalization at Dec. 31, 1953, consisted of 5,039,832 common shares, par $5.

Northwest. Utilities

Northwestern Utilities Ltd. supplies natural gas to the City of Edmonton and some 30 other communities in central Alberta.

Sales of natural gas reached a new high of about 25.7 billion cu. ft., 7.5% higher than the previous year. The company owns in fee simple or under lease the petroleum and natural gas rights on 290,900 acres in the Viking-Kinsella field, approximately 77 miles east of Edmonton.

This field has a producing area of 300,000 acres. The company now operates 88 producing wells in it, of which it owns 83. It also owns nine wells not yet connected with the system.

Company also has natural gas rights of approximately 27,000 acres east of the Viking-Kinsella field, nine of which have been proven as gas producers.

Rock pressure of the gas produced by the Viking field is sufficient to deliver gas at Edmonton without pumping.

In 1951, the company arranged to develop a 40 sq. mile area in the Legal district north of Edmonton acquired from Imperial Oil, and at the end of 1952, the company controlled some 70 sq. miles of proven and potential gas lands in the Bremner-East-Saskatchewan-Legal area. It now owns 12 wells in this area capable of producing gas.

In 1953, a pipeline was constructed to connect wells in this general area to the company's main transmission system.

During 1954, at a cost of $1.35 millions, the company undertook to construct a 42-mile 12-in. pipeline to the Bonnie Glen gas conservation plant of Texaco Exploration Co. now under construction.

The program for 1954 and 1955 is estimated to cost $3,728,100 in 1954 and $3,245,000 in 1955.

Net profit for 1953 was $1,057,219, 10.1% lower than 1952 net of $1,176,106.

Increase in number of customers was about 5,400 bringing the total to over 55,000. Decline in net revenue was caused by higher expenses which more than offset the gross revenue, said the president.

Substantially greater purchases of residue oilfield gas in the Edmonton area, was one of the reasons. Gross capital additions during the year amounted to $4,670,000 compared with $3.5 millions the previous year. It is anticipated that the 1954 figures will be over $3,730,000.

Wpg. & Central

Winnipeg & Central Gas Co. is engaged in the production and distribution of gas in Winnipeg, Man. The company was incorporated in Nov., 1952, to take over the gas utility formerly owned and operated by the Winnipeg Electric Co.

During the company's first year of operation it showed a net loss of $266,357 after providing $124,261 for depreciation and $50,494 for municipal taxes. Gross earnings were $865,160.

Current assets at Dec. 31, 1953, amounted to $1,260,841, and current liabilities $238,475. Fixed assets were shown at $2,514,212, against which there was a depreciation reserve of $128,913.

The company acquired a propane distributing company in October this year, Home Gas Co., for which it paid a reported $500,000. This is part of Winnipeg & Central's plan to convert from manufactured gas to propane with a view to the switchover to natural gas when it becomes available.

Later, in November, it was announced that Winnipeg & Central planned to build a $20 million pipeline network for delivery of liquid propane. Work is due to begin on the project in the spring of the coming year. The program includes a loop main 25 miles long around Winnipeg.

Capitalization outstanding at Dec. 31, 1953, consisted of 564,989 n.p.v. common shares. These are held by the National Trust Co. depository until Dec. 31, 1954.

Great Northern

Great Northern Gas Utilities is a holding company whose subsidiaries are engaged in the distribution of natural gas and hydro electric power.

Company was first incorporated by Dominion letters patent in July, 1950, under the name of Alberta Consolidated Utilities Co. This was later changed to Alberta Consolidated Gas Utilities Ltd. and still later to Great Northern Gas Utilities Ltd. in May, 1954.

Company owns no fixed plant and equipment of its own, but the property of its subsidiaries consists, in the case of gas utility companies, of regulating stations and the usual system of gas transmission and distribution pipelines and other equipment, and, in the case of the electricity utility company, of transmission and distribution lines and other equipment.

Gas supplies for systems controlled by the company come partly from purchases at relatively low rates from other supplies.

In January, 1953, the company purchased all the common stock of Bottled Gas Ltd. as its first venture into the propane field. In June of this year the company's participation of distribution of propane gas was extended by the acquisition of North Shore L.P. Gas Co. of Sault Ste. Marie, through a new subsidiary, North Shore Propane Co., which will co-ordinate operations with North Shore L.P. Gas Co.

The following are wholly owned subsidiaries of the company:

Athabaska Utilities Ltd.; distributes natural gas in the town of Athabaska, Alta.; Barrhead Utilities Ltd., distributes gas in Barrhead, Alta.; Bottled Gas Ltd. stated to be the largest distributor of liquid propane gas in B. C.; Calmar Utilities Ltd., supplies gas to the village of Calmar; Drumheller Gas Utilities Ltd., holds a franchise to distribute gas within the city of Drumheller; Fort St. John Utilities Ltd., holds a franchise to distribute gas in St. John, B.C.; Hanna Heat & Power Ltd., distributes natural gas in Hanna, Alta.; Leduc Utilities, Ltd., distributes natural gas in Leduc, Alta.; St. Paul Utilities Ltd., distributes natural gas in and about St. Paul, Alta.; Westlock Utilities, Ltd., distributes natural gas of Westlock, Alta.; Yellowknife Power Co., distributes electricity in Yellowknife; Great Northern Gas Co., distributes manufactured gas and sells appliances in the city of Sault Ste. Marie, Ont. and adjacent areas; Stettler Utilities Ltd. distributes gas in Stettler, Alta.; North Shore Propane, distributes propane gas through operations co-ordinated with North Shore L.P. Gas Co.

Company also has approximately a 10% interest in Canamerican Land & Exploration Co. Canamerican has freehold and Crown leases, Crown permit, and mineral interests, covering lands in Alberta, Saskatchewan and Western Manitoba.

Consolidated net profit for 1953 was $91,880 compared with $58,539 in 1952. Earnings per share were 15c in 1953 compared with 10c in 1952. For the three months ended March 31, 1954, consolidated net income amounted to $72,365 compared with $41,406 a year ago.

Western Ashley

Entry into the uranium play has been made by Western Ashley Minerals with the staking of two groups of claims totaling 1,200 acres in the active Huddersfield area in the Gatineau hills of Quebec, north of Ottawa. Both groups are reported to adjoin the D'Eldona Mines discovery group. An immediate Geiger counter survey over a wide area of radioactive pegmatites is recommended.

Company also has a half interest in an option on 27 claims in Vogt Twp., Temagami area, Ont. Radioactive quartz pebble conglomerate beds were recently found in this area and preliminary exploration has disclosed over a mile-wide length of strike of such beds on company property. A crew is engaged in mapping and surface work and assay samples are being taken. An expanded program of exploration is planned for next Spring if favorable results continue.

In the North Wardsville field of Southwestern Ontario, Western Ashley Minerals and its associate Anchor Petroleums have completed a fourth gas well on their joint holdings. This well found 62 ft. of pay zone at a depth of approximately 1,500 ft., and rated an open flow of 166,000 cu. ft. daily. Development is continuing.

In the same area the company owns 10 producing gas wells and a six-inch pipe line connecting all 14 wells to the line of Dominion Natural Gas Co. Ltd., to whom the gas is sold. Ashley also has interests in 39,360 acres of leases and a gas well at Bonnyville, 3,698 acres of leases and 32,500 acres of reservations at nearby Cold Lake, and 8,549 acres in the Pipestone Creek area, all in Alberta.

Following recent sale of 750,000 shares at 10c and 12c a share, all the four million shares authorized have been issued and are outstanding.

Gas Exploration

Gas Exploration Co. of Alberta and its associates are currently developing their joint holdings in southwestern Jones County, Texas. Three oil wells have been successfully completed on their Milstead lease and six other ventures are under way or planned on the lease and on another tract immediately to the west. Gas Exploration's interest is 12½%.

The same group is also participating in a three-well program in 41,800 acres in Rosebud County, Montana, and has nine oil wells and a gas well on other holdings in those two states and Oklahoma. Company has 6¼ and 12½% share in these producers.

In northwestern Alberta company has a substantial share in seven gas wells, two of which are on production and the remainder are capped awaiting a market. Further exploration is planned in the Rycroft and Pouce Coupe areas. Large tracts of unexplored land are also held in northeastern British Columbia.

Gas reserves applicable to the company are estimated to be in excess of 5.8 billion cu. ft. Authorized capital is 3 million shares, of which 1,950,100 shares are outstanding.

Lloydminster Gas

Lloydminster Gas Co. is a natural gas-producing and distributing organization. It owns more than 65 miles of gathering and distribution pipeline and serves in excess of 1,700 customers in the town of Lloydminster and the villages of Kitscoty and Blackfoot.

The company was the discoverer in 1934 of the Lloydminster field, and now owns seven gas wells and gathers gas from a further 22 producers owned by others. It also has a call on large acreage holdings in the area.

Dividends of 5% or more were paid by the company continuously from 1933 to 1947 inclusive. After a four-for-one stock split, payments totaling 2 cents per share were made in 1948, 3 cents in 1949, and 4 cents in 1950, 1951 and 1953 (latest reported).

There were $312,400 of 5% 20-year bonds outstanding at June 30, 1953, and 536,655 shares were issued out of one million shares authorized.

Oil Company Survey

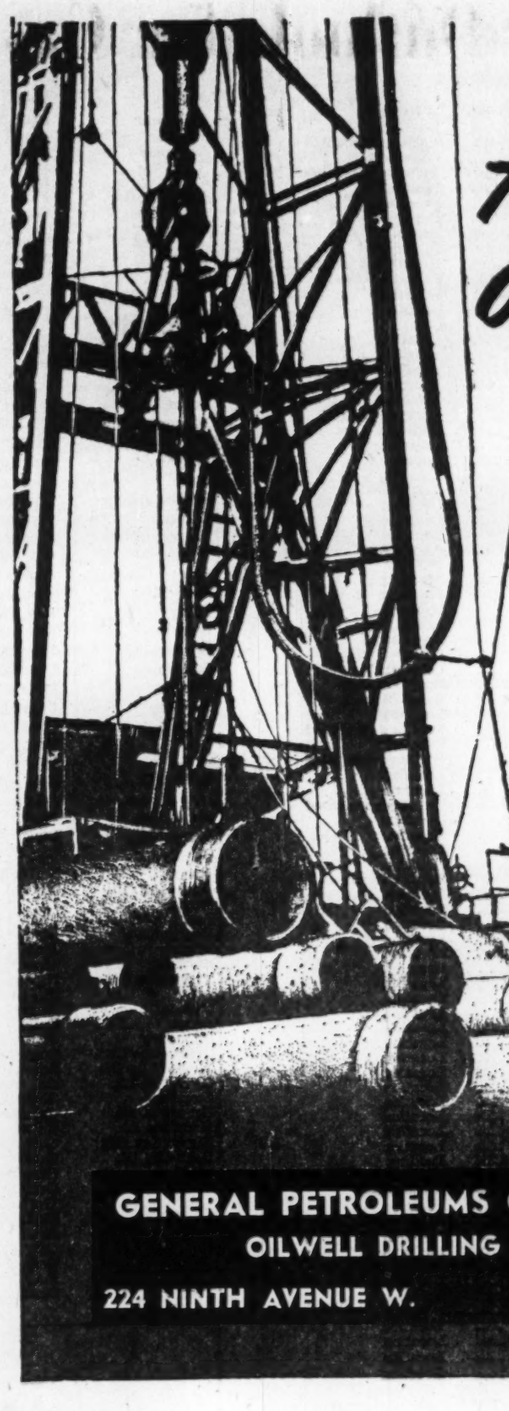
Central Leduc

Central Leduc Oils participated in drilling seven exploratory wells and one development hole during the fiscal year ended July 31, 1954. The development well, in the Armena field, was brought in as an oil producer.

Four of the wildcats were put down by Socony-Vacuum on a farmout of 400,000 acres from the company and Del Rio Producers in southern Saskatchewan. Company retained a 25% working interest. The ventures were all abandoned as non-commercial but gave up valuable geological information. Company and Del Rio are jointly drilling a test well in the Ralph area of the district while Socony will provide costs of a Nisku test at Newands.

Light oil was discovered in the Mississippian formation at a 'cat drilled by Stanolind on 15,000 acres in the Cynthia area, just northwest of the prolific Pembina field. The Cardium sand, productive at Pembina, was found to be too tight here for oil production. Company has a 2½% gross overriding royalty in the project. Other exploratory ventures at Sarepta, Alberta, and Toad River, B.C., were abandoned.

Net revenue for the year ended July 31, 1954, totalled $471,712, and included net production income of $284,387 after operating expenses and a net profit of $85,504 from operations of the drilling subsidiary. After all expenses, depreciation and amortization, net loss was $61,915.



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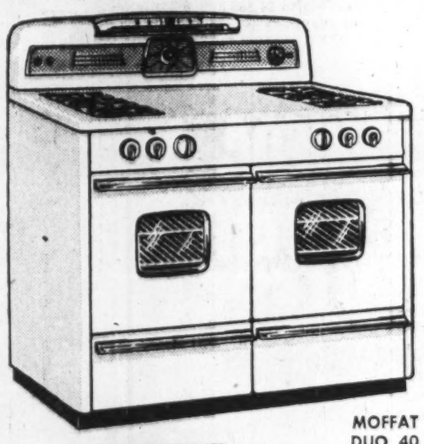
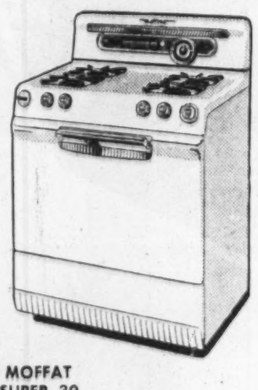
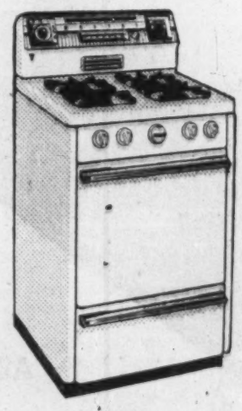


MOFFAT DUO 40

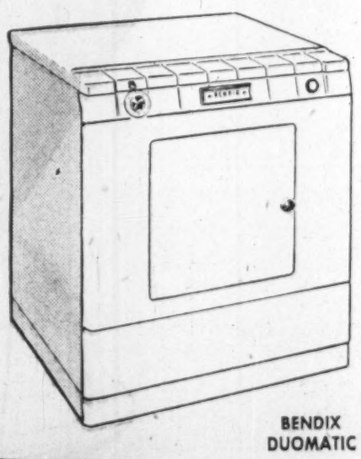


MOFFAT SUPER 30

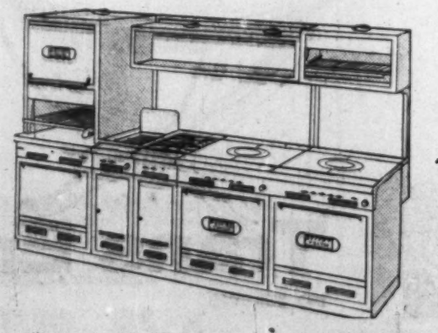
BENDIX DRYER



MOFFAT SPACEMASTER



BENDIX DUOMATIC



MOFFAT GAS COMMERCIAL COOKING EQUIPMENT

Today, with Natural Gas available in Toronto, a new era of service opens up for industrial and domestic users of gas.

And to match the new benefits of this modern fuel . . . to utilize to the utmost its clean, fast, efficient heat . . . comes the greatest line of gas appliances ever introduced.

1955 MOFFAT GAS RANGES
1955 BENDIX AUTOMATIC WASHERS AND DRYERS
1955 MOFFAT COMMERCIAL COOKING EQUIPMENT

Each one of these appliances is as important an advance in design and development as Natural Gas is in efficiency and service.

Moffat "Duo-40" Model 2506 Gas Range. The year's greatest advance in double oven gas cooking.

Moffat "Super 30" Gas Range. A world of cooking capacity in a minimum of space. Features the new Waist-High Therma-Dome Broiler.

Moffat "Spacemaster" Gas Range. All the newest Moffat automatic features in a range designed for use where space is limited.

Bendix Gas "Fluff 'n Tumble Dryer." Eliminates the labor and strain of clothesline drying. Dries clothes . . . even the Miracle Fabrics . . . safely, thoroughly, automatically.

Bendix "Duomatic" Gas Washer-Dryer. The world's first and only Gas Washer-Dryer . . . all-in-one, completely automatic.

Moffat "Gas Commercial Cooking Equipment." Used and endorsed from coast to coast by Canada's leading hotels, restaurants and institutions. Unlimited combinations and arrangements enable each Moffat installation to be tailor-made to any specific job.

MOFFATS LIMITED
AVCO OF CANADA LIMITED
MONTREAL WESTON WINNIPEG VANCOUVER

Your Box Score On Current Oil, Gas Drilling

(Continued from page 58)

Area	Well	Location	Depth	Remarks
Midway	Soc. Wood. So. Gull. Lk. 34-16A SE	16-34-13-19w3	....	Location
Tompkins	Soc. Wd. South. Tompkins 30-14	14-30-13-20w3	420	Standing cemented
Midway	Soc. Wd. So. S.E. Midway 2-5A SE	5- 2-14-19w3	....	Location
Limerick	Socony Sohio Limerick 35-6	6-35- 8- 3w3	3,680	Drilling
Instow	Tide Water Instow Crown 9-27	9-27- 9-18w3	312	Drilling
Illerbrun	Soc. Wd. So. S. Illerbrun 22-12	12-22-10-18w3	....	Location
Illerbrun (W.)	Soc. Wd. So. W. Illerbrun 2-3	3- 2-11-19w3	4,429	Coring
Crane Lake	Amurex Can. So. Sanctuary 1-13	13-13-13-23w3	3,427	Drilling
Crane Lake	Amurex Can. So. English 1-16	16-14-13-25w3	3,620	Abandoned
Midway	Soc. Wd. So. S.E. Midway 20-5	5-20-14-19w3	3,720	Indicated Shaunavon Oilwell
Webb	Soc. Wd. So. Webb 35-13B .. SW	13-35-15-17w3	3,305	Cantuar Oilwell
Success (S)	Soc. Wd. So. S. Success 25-3B SW	3-25-16-16w3	....	Location
"	Soc. Wd. So. S. Success 25-4B . SW	4-25-16-16w3	....	Location
"	Soc. Wd. So. S. Success 25-6B . SW	6-25-16-16w3	....	Location
"	Soc. Wd. So. S. Success 35-5B SW	5-35-16-16w3	....	Location
"	Soc. Wd. So. S. Success 35-12B SW	12-35-16-16w3	....	Location
"	Soc. Wd. So. S. Success 35-14B SW	14-35-16-16w3	....	Location
Cantuar	Soc. Wd. So. Cantuar 3-1B . SW	1- 3-16-17w3	3,315	Completing
"	Soc. Wd. So. Cantuar 3-6B .. SW	6- 3-16-17w3	....	Location
"	Soc. Wd. So. Cantuar 12-5B .. SW	5-12-16-17w3	3,227	Cantuar Oilwell
"	Soc. Wd. So. Cantuar 14-12B . SW	12-14-16-17w3	....	Location
"	Soc. Wd. So. Cantuar 14-14B . SW	14-14-16-17w3	....	Location
"	Soc. Wd. So. Cantuar 23-8B . SW	8-23-16-17w3	....	Location
Antelope Lake	Soc. Wd. So. Antelope Lk. 14-9 NE	9-14-16-18w3	....	Location
Golden Prairie	Amurex Can. South Rust 1-1	1-12-16-27w3	3,399	Abandoned
Success	Soc. Wd. So. Success 17-13B .. SW	13-17-17-16w3	....	Location
"	Soc. Wd. So. Success 20-1B .. SW	1-20-17-16w3	....	Location
"	Soc. Wd. So. Success 20-3B .. SW	3-20-17-16w3	....	Location
Hazlet	Soc. Wd. So. Hazlet 20-4	4-20-17-20w3	3,405	Abandoned
Beechy	Tide Water Beechy Crown 1	1-29-23-11w3	4,983	Drilling
Plato	Tide Water Imp. Plato Cr. 7	10-29-24-17w3	....	Location
McGee	Socony Sohio McGee 13-10	10-13-29-17w3	....	Location
Netherhill	Socony Sohio Netherhill 28-10 ..	10-28-29-19w3	....	Location
Hutford	Socony Sohio Hutford 28-10 . NW	10-28-30-19w3	2,580	Abandoned
Hopedale	Imperial Lockwood 7-29	7-29-31-22w3	1,412	Abandoned
Coleville	Roy. Gen. Am. Coleville 8-18	8-18-31-23w3	....	Location
"	Roy. Gen. Am. Imp. Cole. 8-19	8-19-31-23w3	....	Location
"	Roy. Gen. Am. Coleville 38-20 SW	11-20-31-23w3	2,730	Banff Oilwell
"	Roy. Gen. Am. Coleville 45-20 NE	11-20-31-23w3	2,730	Banff Oilwell
Eureka	Canso Eureka 5-22	5-22-31-23w3	....	Location
Coleville	Hudson's Bay Coleville 11-26	11-26-31-23w3	2,450	Standing cemented
"	Roy. Gen. Am. Coleville 2-29 SW	1-29-31-23w3	....	Location
"	Roy. Gen. Am. Coleville 11-29 NE	2-29-31-23w3	2,637	Waiting on repairs
"	Roy. Gen. Am. Coleville 18-29 SW	8-29-31-23w3	....	Location
"	Roy. Gen. Am. Coleville 25-29 NE	8-29-31-23w3	....	Location
Eureka	Imperial Eureka 2-35V	2-35-31-23w3	2,435	Standing cemented
"	Imperial Eureka 7-35V	7-35-31-23w3	....	Location
Coleville	Roy. Gen. Am. Coleville 34-24 SW	9-24-31-24w3	....	Location
"	Roy. Gen. Am. Coleville 41-24 NE	9-24-31-24w3	....	Location
"	Roy. Gen. Am. Coleville 43-24 NE	10-24-31-24w3	2,640	Drilling
"	Roy. Gen. Am. Coleville 52-24	15-24-31-24w3	2,775	Banff Oilwell
Smiley	Imperial Smiley 9-5V	9- 5-31-25w3	....	Location
"	Imperial Smiley 10-5V	10- 5-31-25w3	....	Location
"	Imperial Smiley 11-5V	11- 5-31-25w3	....	Location
"	Imperial Smiley 9-15	9-15-31-25w3	....	Location
"	Imperial Smiley 11-15	11-15-31-25w3	....	Location
"	Co-op. Smiley 1-18	1-18-31-25w3	....	Location
"	Co-op. Smiley 10-18	10-18-31-25w3	....	Location
"	Co-op. Smiley 12-18	12-18-31-25w3	....	Location
"	Imperial Smiley 11-35	11-35-31-25w3	....	Location
"	Imperial Dewar 11-3V	11- 3-31-26w3	....	Location
"	Co-op Dewar 7-11	7-11-31-26w3	....	Location
"	Co-op Dewar 15-11	15-11-31-26w3	....	Location
"	Imperial Dewar 5-13	5-13-31-26w3	....	Location
"	Imperial Dewar 8-13V	8-13-31-26w3	....	Location
"	Imperial Dewar 13-13	13-13-31-26w3	....	Location
"	Imperial Dewar 15-13V	15-13-31-26w3	....	Location
"	Imperial Dewar 7-21V	7-21-31-26w3	....	Location
"	Imperial Dewar 7-27V	7-27-31-26w3	....	Location
Allan	Tide Water Allan Crown 1	4-10-33- 1w3	2,256	Drilling
Whiteshore Lk.	Hudson's Bay Whiteshore Lk. 2	16- 5-37-15w3	....	Location
Denzil	Hudson's Bay Can. So. Denzil 6	13-24-39-26w3	2,345	Abandoned
Lloydminster	Fargo Oils 2-5-74 NW	5- 2-47-27w3	....	Location
"	Fargo Oils 2-6-76 NW	6- 2-47-27w3	....	Location
"	Fargo Epping 14-18-1 SE	14-18-47-27w3	....	Location
"	Ribrock Oils 10 NW	10-19-47-27w3	....	Location
"	Fargo Epping 2-20-A SE	2-20-47-27w3	1,950	Sparky Oilwell
"	Fargo Epping 6-20-1 SE	6-20-47-27w3	....	Location
"	Fargo Epping 11-20-2 NW	11-20-47-27w3	....	Location
"	Fargo Epping 12-20-1 SE	12-20-47-27w3	....	Location
"	Fargo Epping 13-20-1 SE	13-20-47-27w3	....	Location
"	Fargo Oils 28-12-96 NW	12-28-47-27w3	....	Location
"	Fargo Epping 2-30-1 SE	2-30-47-27w3	....	Location
"	Fargo Epping 2-30-B NW	2-30-47-27w3	....	Location
"	Fargo Epping 10-39B SE	10-30-47-27w3	....	Location
"	Fair 10 NW	7-33-48-27w3	1,880	Sparky Oilwell
"	Fair 11 NE	7-33-48-27w3	....	Location
"	Marion Marlea 18 NE	2- 3-49-27w3	....	Location
"	H.C. Karels Quest 1 NE	4- 3-49-27w3	1,860	Sparky Oilwell
"	Nuco & Associates 6B4 SW	6- 4-49-27w3	....	Location

Latest New Locations

Roanmine	Socony Sohio W. Roanmine 24-15	15-24- 3-22w2	2,020	Drilling
Bryant	Shell Bryant A9-36	9-36- 4- 9w2	4,500	Drilling
Blewett	Shell Blewett A1-22	1-22- 5-10w2	4,966	Drilling

Area	Well	Location	Depth	Remarks
Moreland	Shell Moreland A4-6	4- 6- 9-19w2	....	Location
Wapella	Palmer Wapella 1-35	1-35-14- 1w2	....	Location
Coleville	Royalite Gen. Amer. Colev'le 9-29	1-29-31-23w3	....	Location
"	Royalite Gen. Amer. Colev'le 4-29	2-29-31-23w3	....	Location
"	Royal. Gen. Amer. Colev'le 36-24	10-24-31-24w3	....	Location
Lloydminster	Peak Lloydminster 46	9-32-48-27w3	....	Location
"	Carrolls 3	3- 3-49-27w3	....	Location
Kenosee	Tide Water Kenosee Crown 1	6-23- 9- 4w3	....	Location
Avonhurst	Tide Water Imp. Avonhurst 1	1-29-19-16w2	....	Prep. spud
Dewar	Canso Oil Prod. Dewar 12-12	12-12-31-26w3	....	Location
Hilldale	Canso Oil Prod. Hilldale 15-35	15-35-31-27w3	....	Location
"	Canso Oil Prod. Hilldale 7-19	7-19-32-27w3	....	Location

Alberta

West of Fourth Meridian:

Pakowki Lake	New Br. U.S. Smelt. Pakowki 6-28	6-28- 3- 9w4	2,354	Abandoned
Taber	Seavan Van-Tor Roy. Can. Taber 2	10-10- 8-15w4	2,322	Drilling
Porcupine Hills	Gulf Spring Point 2-4	2- 4-10-29w4	850	Drilling
Medicine Hat	Red Cliff Premier Brick 6	6-22-13- 6w4	1,265	Medicine Hat gaswell
Scope	Calcana Century Monarch 2	16-21-13-14w4	....	Location
Cecil	Socony C.P.R. Cecil 10-10	10-10-14-12w4	3,285	Basal Blairmore oilwell
Rolling Hills	Can. Export Gas Rolling Hills 6-28	6-28-14-12w4	3,343	Drilling
Armelgra	Socony C.P.R. Armelgra 1-11	11- 1-14-13w4	2,824	Drilling
Rolling Hills	Socony C.P.R. Rolling Hills 11-10	10-11-14-14w4	....	Location
Parkland	Cal. Standard Parkland 4-12	4-12-15-27w4	7,045	Drilling
12 Mile Creek	Bay. Westates Chart. 12 Mi. Cr. 9-3	9- 3-16-12w4	4,221	Drilling
Lomond	Phillips Husky Lomond 10-20	10-20-16-22w4	4,092	Plugging back
Tilley	Key Tartan Tilley 1	10-21-17-13w4	3,227	Waiting on orders
Bantry	Key Tartan Bantry 1	10-22-17-13w4	....	Location
Brooks	Merrill Sun Brooks 4-19	4-19-18-15w4	3,359	Drilling
Buffalo	Chamberlain Est Buffalo 6-10	6-10-21- 5w4	3,133	Sunburst gaswell
Atlee	High Crest et al Atlee 6-23	6-23-21- 7w4	3,350	Completing
Bindloss	Chamberlain West Bindloss 6-28	6-28-22- 5w4	....	Moving in
Buffalo	Chamberlain North Buffalo 6-16A	6-16-22- 6w4	....	Location
Gem	Can. Expr't Ohio Midcon Gem 6-17	6-17-22-17w4	3,822	Coring
Granta	Socony C.P.R. Granta 14-11	11-14-22-19w4	4,340	Logging
Atlee (N)	Roy. Can. Export N. Atlee 6-17	6-17-23- 7w4	2,680	Coring
Howie	Anglo Parvella 15-6	6-15-23- 9w4	2,781	Mud cut oil
Steveville	Hudson's Bay Delhi Arab Cessford	6-16-23-11w4	12,865	Basal Blairmore gaswell
Steveville	Steveville Development 11-3	11-3- 23-11w4	....	Location
Chancellor	Soc. C.P.R. East Chancellor 10-11	11-10-25-20w4	....	Location
Standard	Smith-Soc. Standard C.P.R. 1	3-28-25-21w4	....	Location
Wintering Hill	Socony C.P.R. Wintering Hills 28-7	7-28-26-20w4	....	Location
Wayne	Gr. Plains Triad Soc. Wayne 2-22	2-22-27-20w4	4,580	Completing
East Coulee	Soc. C.P.R. East Coulee 18-6	6-18-27-18w4	4,362	Testing
Youngstown	N. Pac. & Assoc. Youngst'n 11-32	11-32-28- 9w4	....	Location
Wayne	Merrill Socony Wayne 10-9	10- 9-29-19w4	....	Location
Bircham	Merrill Socony Bircham 8-35	8-35-28-25w4	7,445	Logging
Youngstown	N. Pac. & Assoc. Youngst'n 11-4	11- 4-29- 9w4	....	Preparing to spud
"	N. Pac. & Assoc. Youngst'n 6-9	6-9-29- 9w4	....	Location
Carbon	Anglo Union Kroy Carbon 13-9	9-13-29-24w4	5,663	Drilling
Acme	Delhi Banff Acme 2	16-23-29-25w4	7,022	Testing
Stanmore	Homestead Ad. Terr. Stanmore 2	6- 3-31-11w4	3,080	Abandoned
Ghost Pine Cr.	Sun Socony-Pine 9-22	9-22-31-22w4	....	Moving in
Three Hills (N)	Socony North Three Hills 11-14	14-11-32-24w4	6,320	Drilling
Grassy Is. Lk.	Cal. Standard Grassy Isl. Lk. 6A	11- 3-33- 6w4	2,729	Logging
Stonelaw	Sharples Kroy Anglo Can. St. 1-30	1-30-33-18w4	5,140	Drilling
Grassy Is. Lk.	Cal. Standard Grassy Island Lk. 9	10-20-34- 7w4	2,834	Abandoned
Hamilton Lk.	Calvan Charter Sun 1-29	1-29-35-11w4	3,450	Drilling
Big Valley (E)	Gulf Fraser 15	15-14-35-19w4	4,258	Drilling
Fenn-Big Vl.	Gulf C.P.R. Big Valley 7	7- 3-35-20w4	....	Preparing location
"	Gulf Bridges 1	1-14-35-20w4	5,242	Standing cemented
"	Gulf Law 16	16-14-35-20w4	....	Location
"	Gulf C.P.R. Law 16	16-15-35-20w4	....	Location
"	Shell North Big Valley D2-22	2-22-35-20w4	....	Location
"	Shell North Big Valley C10-22	10-22-35-20w4	5,295	Logging
"	Gulf C.P.R. Phillips 1	10-27-35-20w4	....	Location
"	Gulf C.P.R. McAlister 11	11-35-35-20w4	....	Location
Gough Lake	B.A. Cities Service Gough Lk. 6-11	6-11-36-18w4	3,531	Testing
Fenn-Big Vl.	Gulf James 12	12-11-36-20w4	....	Location

(Continued on page 65)

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Refinery Companies

(Continued from page 58)

For the first nine months of this year, the company's consolidated net profit was estimated at $41,234,775 or $1.38 a share, an increase of 16¾% over the corresponding period of 1953 when net profit was $35,323,047 or $1.18 a share. Consolidated net profit for the whole of 1953 was $47,984,515 or $1.60 per share compared with $41,196,499 or $1.38 per share in 1952.

A dividend payment of 45c per share was made on June 1, 1954. Previously, dividends of 40c per share had been paid on Dec. 1, 1952 and June 1 and Dec. 1, 1953.

The company operates nine refineries in Canada. During recent years extensive improvements have been made at the Montreal, Sarnia, Calgary, Edmonton, and Regina refineries, increasing capacity and efficiency. A 46,500 bbls. distillation unit and 23,250 bbls. catalytic cracking unit at Sarnia, at a cost of $14 millions went on stream early last year. A $13,500,000 expansion and rehabilitation program for the Ioco refinery was completed Sept., 1953 and a $7-million modernization program at the Regina refinery was completed last June. An expansion program at the Montreal refinery, comprising a 41,000-bbls. atmospheric and vacuum unit, an 11,000-bbls. pipe still, and increased capacity for the fluid catalytic cracker, is in hand.

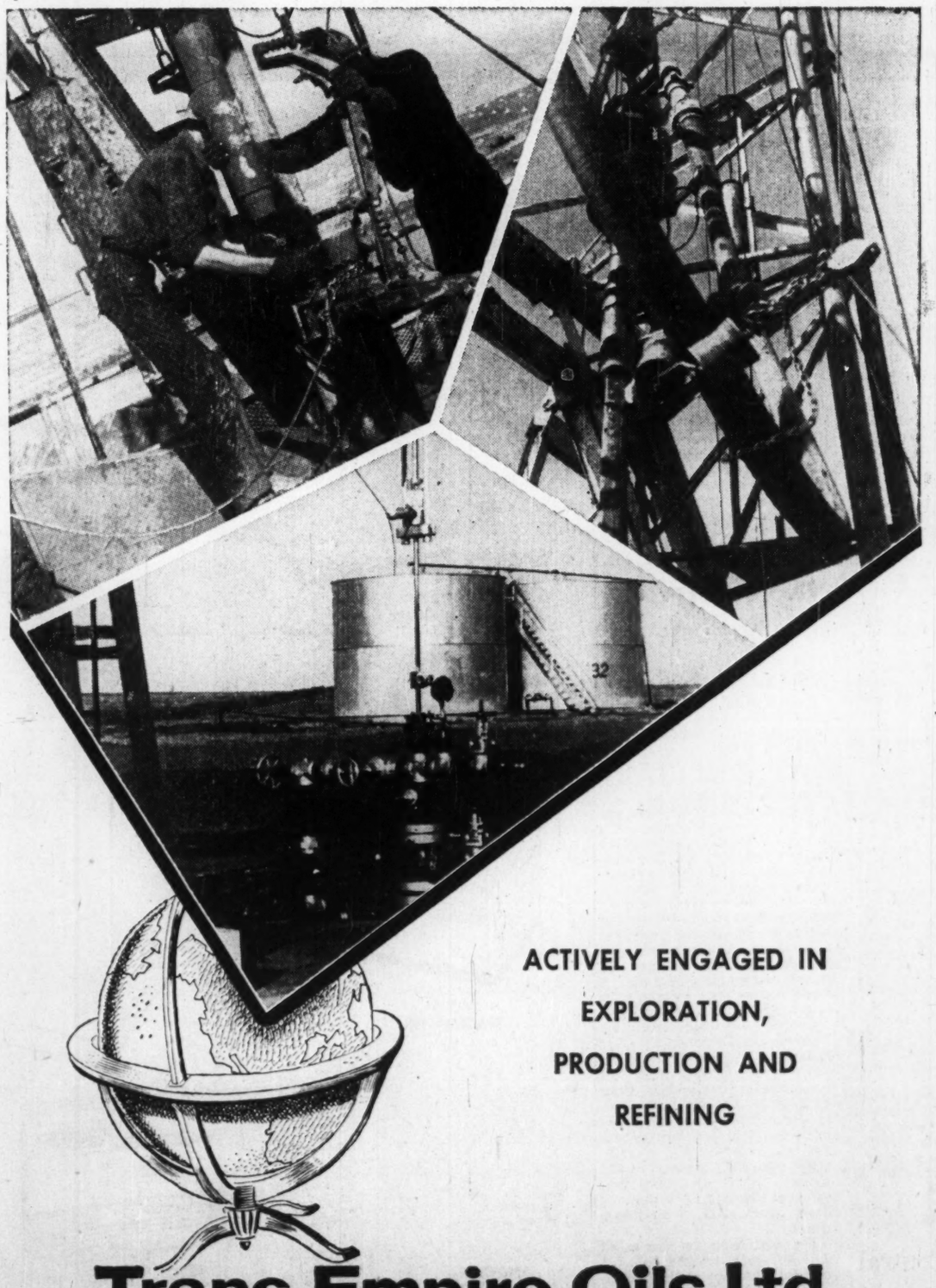
The company's refineries processed 74,576,750 bbls. in 1953, equivalent to 204,320 bbls. per day. This compares with 70,056,744 bbls. in 1952 and 66,752,351 bbls. in 1951. Canadian crude included in these totals was 42,219,803 bbls. in 1953, or 56.6%; 35,262,937 bbls. (50.3%) in 1952; 29,439,471 bbls. (44%) in 1951.

The refineries are supplied with oil from South America and the Middle East as well as Canada and the U. S. Agreements with Standard Oil Co. (N.J.) ensure a continuing source of crude oil to the company for its Eastern Canada requirements over a period of years.

The company operates a gas-conservation plant in the Leduc-Woodbend field, capacity being 24 million cu. ft. of gas per day. Large bulk storage plants and distributing stations are maintained throughout Canada. There are 1,300 bulk plants and 9,400 retail outlets. More than 200 bulk plants were expanded and modernized during 1953.

The company's exploration ac-

(Continued on page 65)



ACTIVELY ENGAGED IN EXPLORATION, PRODUCTION AND REFINING

Trans Empire Oils Ltd.
RIO BUILDING CALGARY, ALBERTA

Oil, Gas Drilling Score

(Continued from page 64)

Area	Well	Location	Depth	Remarks
"	Shell Fenn E11-22	11-22-36-20w4	....	Location
"	Gulf C.P.R. Mailer 6	6-27-36-20w4	5,270	Standing cemented
Sabine	Cities Service B.A. Sabine 1	5-33-37-18w4	2,526	Drilling
Fenn-Big Vl.	Gulf C.P.R. Hanna 1	1- 3-37-20w4	4,975	Drilling
"	Gulf C.P.R. Hanna 3	3- 3-37-20w4	....	Preparing location
"	Gulf Dupont 8	8-10-37-20w4	5,458	Swabbing
"	Gulf Antoine 4	4-11-37-20w4	....	Location
Kessler	Mill City Sweet. et al Kessler 4	9-30-38- 7w4	....	Location
Kessler	Mill City Sweet. et al E. Kessler 6	11-30-38- 7w4	....	Location
Gadsby	Texaco Can. Super. Gadsby A15-6	15- 6-38-16w4	4,601,	Testing
Stettler	Gulf C.P.R. Shinness 15	15-21-38-20w4	....	Waiting on rig
"	Gulf Shickburgh 8	8-22-38-20w4	5,203	Coring
Joffre	Can. Super. Morton Estate 3-19	3-19-38-25w4	....	Location
"	Baysel Selbay Unit Joffre 12-30	12-30-38-25w4	....	Location
"	Cal. Standard Joffre 4-25	4-25-38-26w4	5,099	Running casing
"	Cal. Standard Joffre 8-27	8-27-38-26w4	3,109	Drilling
"	Cal. Standard Joffre 7-26	7-26-38-26w4	5,210	Viking oilwell
Kessler	Mill City Antone et al 6-13	6-13-39- 9w4	....	Location
Erskine	Oilwell Oper. Erskine 3-13	3-13-39-21w4	5,378	D3 oilwell
Red Deer	Imperial Red Deer 12-5V-39-26	12- 5-39-26w4	5,185	Viking oilwell
Blindman River	Imperial Un. Blindman Riv. 16-7	16- 7-39-27w4	....	Preparing to spud
Buffalo Lake	Brink. Cn. O&G. Van Sitt St. 13-19	13-19-41-20w4	....	Preparing to test
Morningside	Cal. Stand. S. Morningside 14-20	14-20-41-27w4	3,697	Drilling
Chauvin	Rio-Prado Chauvin 15c-11 .. NW	15-11-43- 1w4	2,058	Standing cemented
"	Rio-Prado Chauvin 4c-28	4-28-43- 1w4	....	Location
Wainwright	Wain-Con 2 ..... NE	9-19-45- 6w4	1,824	Drilling
"	Am. N. Wainwright P&R 6B4	4-32-45- 6w4	....	Location
Joarcam	Bay Shea 4	4-23-46-20w4	3,350	Viking oilwell
Bonnie Glen	Texaco Pigeon Lake 7-26	7-26-46-28w4	....	Location
"	Texaco Pigeon Lake 15-26	15-26-46-28w4	5,329	Drilling
"	Texaco Pigeon Lake 16-26	16-26-46-28w4	7,155	Completing
"	Texaco Pigeon Lake 2-35	2-35-46-28w4	6,992	Drilling
"	Texaco Pigeon Lake 7-35	7-35-46-28w4	3,535	Drilling
"	Texaco Pigeon Lake 10-35	10-35-46-28w4	7,090	D3 oilwell
Joarcam	Sun C. J. Duggan 10-9	10-19-47-20w4	....	Location
"	Sun M.A. Green 10-21	10-21-47-20w4	3,225	Viking oilwell
Bonnie Glen	Texaco Bonnie Glen C-12	14-18-47-27w4	5,889	Drilling
Wizard Lake	Texaco Wizard Lake E-2	2-28-48-27w4	6,625	Drilling
Joarcam	Imp. Gulf H.B. Hay Lakes 10-17V	10-17-49-21w4	....	Location
"	Superior Joseph Lake 101	14-36-49-22w4	....	Location
Leduc-Wood.	Imperial Leduc 630	10-29-49-25w4	5,096	Drilling
"	Whitehall Leduc 11-11	11-11-49-26w4	4,600	Drilling
"	Imperial H.B. Leduc 629	14-26-49-26w4	....	Location
"	Continental Leduc 19	9-31-49-26w4	....	Location
"	Whitehall Leduc 15-32	15-32-49-26w4	....	Location
Lloydminster	L.D.C. 55	7- 8-50- 1w4	....	Location
"	Nuco Blackfoot 11D30	11-30-50- 1w4	66	Drilling
"	Nuco Blackfoot 11B30	11-30-50- 1w4	2,000	Completing
"	Liberal Husky Blackfoot 26-8A SE	8-26-50- 2w4	....	Location
Leduc-Wood.	Imperial Leduc 631	13-19-50-26w4	4,325	Drilling
Bretona	Banff Richfield Bretona 16-33	16-33-51-23w4	3,190	Preparing to test
Whitemud	N. Can. Northpac. Whitemud 7-15	7-15-51-25w4	5,067	Drilling
Acheson-S.P.	Cal. Standard Altmiks 7-35A-1	7-35-52-26w4	....	Location
Campbell	Trans Empire Campbell 19	11-20-54-25w4	....	Location
Volmer	Sharples Volmer 9-15	9-15-55-25w4	3,802	Drilling
Fairydell	Imperial Fairydell 7-8L-57-24	7- 8-57-24w4	....	Location
"	Imperial Fairydell 5-16L	5-16-57-24w4	3,992	Whipstocking
"	Union Citation Fairydell 5-21	5-21-57-24w4	4,060	Running casing
Westlock	Dome Imperial Westlock 6-27	6-27-59-27w4	3,329	Viking gaswell
"	Dome Westlock 11-36	11-36-59-27w4	....	Moving in
Cold Lake	Tri-Tor Dandy 7 ..... NW	9-12-63- 2w4	....	Location
"	Tri-Tor Dandy 6 ..... NW	3-18-63- 2w4	....	Location
Sandy Rapids	Geddell Bonnyville 1	16- 5-64- 8w4	325	Standing
Calling Lake	Sage Tellington 1	1-30-70-21w4	2,083	Standing
West of Fifth Meridian:				
Todd Creek	Texaco Wilmont Todd Creek A1	3- 6-10- 2w5	11,019	Drilling
Savanna Creek	Phillips Husky Savanna Creek 1	12-20-14- 4w5	9,005	Drilling
Black Diamond	Sea. Common. Black Diamond 4-6	4- 6-21- 2w5	6,453	Drilling
Priddis	Home Shell Priddis 10-19	10-19-22- 3w5	5,821	Drilling
Bearspaw	Fina Calvan Bearspaw 11-3	11- 3-25- 3w5	1,489	Drilling
Jumping Pound	Shell Jumping Pound Unit 15	9-34-25- 5w5	....	Location
Olds	Shell Olds 7	10-22-30- 1w5	6,474	Drilling
Cremona	Oilwell Op. C. & E. Cremona 11-35	11-35-30- 4w5	2,897	Drilling
Elkton	Great Plains et al Elkton 11-6	11- 6-31- 3w5	8,693	Drilling
"	Bergen Unit 11-18	11-18-32- 4w5	11,004	Drilling
Sundre	Hudson's Bay Sundre 1	1- 4-34- 5w5	9,746	Drilling
Caroline	Superior et al H.B. Caroline 11-2	11- 2-36- 6w5	7,563	Drilling
Benalto	Seabord Can. Superior Benalto 7-28	7-28-38- 2w5	3,065	Drilling
Alhambra	Oilwell Op. et al Alhambra 16-11	16-11-38- 5w5	6,175	Coring
Hespero	H. B. Amurex Richfield Medin 4-4	4- 4-39- 3w5	6,398	Drilling
Leslieville	Imperial Leslieville 1-33-39-5	1-33-39- 5w5	7,101	Swabbing
Ferrier	So. Product. Can. Atlan. A1-1	16-22-39- 8w5	5,597	Drilling
Ancona	Phillips Ancona 1	4-26-39-11w5	....	Rigging
Bentley	Cal. Standard So. Gilbey 10-7	10- 7-40- 2w5	7,232	Drilling
"	Cal. Standard East Gilbey 4-5	4- 5-41- 2w5	7,259	Drilling
Rimbey	Cal. Standard Rimbey 9-14	9-14-42- 2w5	3,645	Drilling
"	Imperial Rimbey 11-26L	11-26-42- 2w5	7,557	Drilling
"	Texaco McColl Rimbey A11-36	11-36-42- 2w5	....	Location
Alhambra	Texaco Alhambra A 2-1	2- 1-42- 6w5	8,506	Drilling
Rocky Mtn. Hse.	Superior et al Rocky Mtn. 10-22	10-22-42- 8w5	7,380	Drilling
"	Superior et al Rocky Mtn. H. 8-27	8-27-42- 8w5	....	Location
Brazeau	B.A. et al Nordegg River 5-29	5-29-43-13w5	....	Location
Nordegg-Braz.	Triad Richfield Husky Brazeau 1	12- 6-43-17w5	10,483	Drilling
Westerose	Gulf C.P.R. Lykken 7	7-25-45- 1w5	7,064	Drilling
"	Gulf C.P.R. Lykken 11	11-25-45- 1w5	....	Location
Buck Lake	Gt. Plains Bay. Sea. Buck Lk. 6-29	6-29-46- 7w5	360	Drilling
Norbuck	Imper. Can. Sup. Norbuck 2-6-47-4	2- 6-47- 4w5	6,309	Coring
Pemb-Buck Cr.	Baysel G.P. Buck Cr. 10-6	10- 6-47- 7w5	5,350	Cardium oilwell
"	Baysel G.P. Seab'rd Buck Cr. 14-6	14- 6-47- 7w5	....	Location
"	Baysel G.P. Seab'rd Buck Cr. 16-6	16- 6-47- 7w5	608	Standing cemented
Pembina	Hudson's Bay Pembina 6-8-47-7	6- 8-47- 7w5	4,299	Drilling
Pemb-Buck Cr.	Gt. Plns Baysel Sea. Buck Cr. 12-9	12- 9-47- 7w5	....	Location
"	Seab'd G. P. Baysel Buck Cr. 10-15	10-15-47- 7w5	3,955	Drilling
"	Seab'd G. P. Baysel Buck Cr. 12-15	12-15-47- 7w5	....	Location
"	Seab'd G. P. Baysel Buck Cr. 2-16	2-16-47- 7w5	3,200	Drilling
"	Seab'd G. P. Baysel Buck Cr. 6-16	6-16-47- 7w5	5,425	Cardium oilwell
"	Seab'd G. P. Baysel Buck Cr. 8-16	8-16-47- 7w5	....	Location
"	Seab'd G. P. Baysel Buck Cr. 10-16	10-16-47- 7w5	....	Location
"	Seab'd G. P. Baysel Buck Cr. 12-16	12-16-47- 7w5	5,204	Logging
"	Seab'd G. P. Baysel Buck Cr. 16-16	16-16-47- 7w5	....	Location
"	Seab'd G. P. Baysel Buck Cr. 4-21	4-21-47- 7w5	5,180	Preparing to log
"	Seab'd G. P. Baysel Buck Cr. 6-21	6-21-47- 7w5	....	Location
Pembina	Hudson's Bay Pembina 8-26-47-7	8-26-47- 7w5	5,108	Drilling
"	Baysel G. P. Seab'd Wolf Cr. 16-1	16- 1-47- 8w5	....	Location
"	Stanolind H. B. Pembina Cr. "F" 11	12-22-47- 8w5	657	Drilling
"	Stanolind H. B. Pembina Cr. "F" 10	14-22-47- 8w5	....	Location
Pemb-Wolf Cr.	Seab'd G. P. Baysel Wolf Cr. 12-25	12-25-47- 8w5	2,540	Drilling
Pembina	Seab'd G. P. Baysel Wolf Cr. 8-26	8-26-47- 8w5	....	Location

(Continued on page 66)

Progress of Refineries

(Continued from page 64)

tivities have played an important part in the discovery of crude oil resources in Western Canada. Its holdings of petroleum and natural gas rights by means of reservations, options or leases were about 25,700,000 gross acres at the end of last year, distributed through the western provinces, the Yukon, the Northwest Territories and Ontario.

In 1953, 58 wells were drilled in Western Canada, and 35 relatively shallow exploratory wells in Ontario. Most important discovery was the Smiley light-oil field in West-Central Saskatchewan.

This year the company began exploration of about 600,000 acres along the south shore of the St. Lawrence between Montreal and Quebec.

In 1953, it had completed 265 development wells resulting in 196 oil and 11 gas wells in Western Canada, and three oil and four gas wells in Ontario. An extensive airborne magnetometer survey was made in Northeastern British Columbia and the Mackenzie basin area of the NW Territories.

Capital expenditures in 1953 totaled $67,852,460. Consolidated working capital as at the end of 1953 was $163,447,608 compared with $184,242,794 in 1952.

Imperial has an agreement with Interprovincial Pipe Line Co. to tender with others sufficient crude oil each year till 1970 to provide an average daily throughput of about 60 million barrel miles. The company holds 40% interest in Montreal Pipe Line Co., a 40% interest in Portland Pipe Line Co., a 33.34% interest in Interprovincial Pipe Line Co., and a substantial interest in Trans Mountain Oil Pipe Line Co. (from Edmonton to Vancouver). Imperial Pipe Line Co. and Winnipeg Pipe Line Co. are wholly owned.

At December 31, 1953, 29,847,227 common shares, no par value, were outstanding.

McColl-Frontenac

McColl-Frontenac Oil Co. is engaged in the production, refining and distribution in Canada of petroleum products. In Alberta, it has interests in the Redwater, Leduc and Wizard Lake fields and other royalty and participating rights. A subsidiary operates producing oil wells in Trinidad, B.W.I. Texas Company of the United States holds a majority of the common shares.

Products of the company include Texaco, Havoline and Valor motor oils and Sky Chief and Fire Chief gasoline. Earlier this year, it marketed a new premium-type gasoline—New Sky Chief, supercharged with Petrox.

The company operates refineries at Montreal and Edmonton, lubricant blending and grease plant and a marine terminal for refined products at Toronto, and lubricant blending installations at Montreal and Winnipeg.

Capacity of the Edmonton refinery is being increased from 7,000 bbls. daily to 11,000 bbls. daily this year. A catalytic reforming unit was installed at the Montreal refinery.

Production of oil from wells in which the company holds interests totaled 2,209,477 bbls. in 1953, after royalties, etc. Of this, 1,137,419 bbls. came from Canadian wells and 1,072,058 bbls. from wells in Trinidad. Production for 1952 was 1,298,233 bbls.

Estimated net income of McColl-Frontenac Oil Co. and subsidiaries for the nine months ended Sept. 30, 1954 amounted to $5,698,164 or $2.12 on each of the 2,607,963 common shares. This compares with $5,288,770 and $1.96 per common share in the corresponding period of 1953.

A new producing department was set up at the beginning of this year to enable the company to re-enter the exploration and exploitation field in Western Canada on its own behalf in addition to continuing its working agreement with Texaco Exploration Co. Under this agreement, McColl-Frontenac has a 10% royalty interest in certain acreage and the right to purchase a participating interest in other properties. McColl-Frontenac also has first call on all oil produced by and belonging to Texaco Exploration.

Leases and reservations of the associated companies total some 2 million acres including 90,000 in the Pembina area acquired early this year by Texaco for $13 millions.

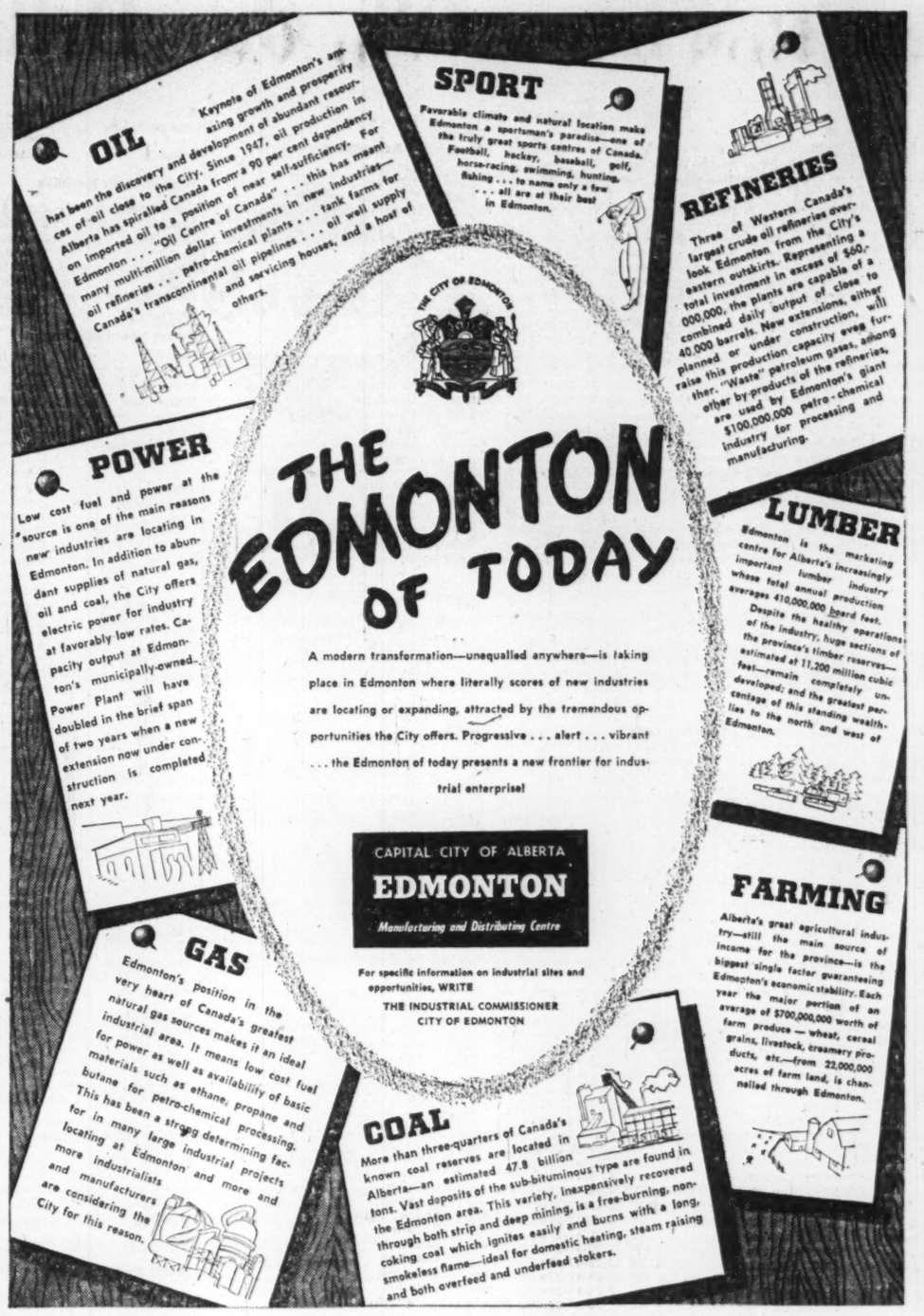
The company holds a 20% interest in the Montreal Pipe Line Co. and Portland Pipe Line Corporation, operating pipe lines from tidelines at Portland, Me. to Montreal. In 1953, additional pumping stations increased capacity from 140,000 bbls. to 156,000 bbls. daily, and facilities were increased this year for a daily throughput of 190,000 bbls. of crude oil.

The company also has 33 1/3% interest in Trans-Northern Pipe Line Co., operating the 442-mile products pipe line between Montreal, Toronto, Hamilton and intermediate points with a spur line to Ottawa.

Earnings per share amounted to $121.99 on the preferred and $2.71 on the common in 1953 compared with $98.71 and $2.18 in 1952.

Consolidated net profit for 1953 was $7,319,484 compared with $5,922,795 for 1952. Operating expenses were $74,636,129 against $75,762,703. Depreciation decreased to $4,968,137 from $5,036,244, and income taxes to $5,757,000

(Continued on page 66)



Propane Joins Industrial Team

Once Burned as Waste, Now Key to Sales, Growth

Propane—a magic word across rural and industrial Canada—is bringing the amenities of the city to remote places, boosting efficiency in factory and farm.

Just a few years ago, it was burned as a waste product in the oil fields. Now—a high calorific gas that is packaged as a liquid—it spells multimillion dollar investment, represents the fastest-growing distribution business in the country.

There seems to be no end to its applications. It skins onions, drives trucks, bends 30-in. steel pipes, hatches out chickens, dries crops. Plumbers put it in their blow-torches, metal workers are using oxy-propane burners instead of oxy-acetylene.

Demand for it within and beyond the gas mains and the power lines is growing at a rate of more than 25% each year. Domestic consumption went up by that amount last year, and industrial consumption had a still more spectacular climb.

The propane gas comes up with the oil and the natural gas. It is taken off at the field and further quantities are produced in the oil refining stage. For a long time producers didn't know what to do with it. They burned it as a waste product in the field, and at the refineries used it as a fuel and for re-cycling process.

Now throughout North America, it is treated with due respect as a valuable commodity. In Western Canada, there are special measures to conserve the substantial surplus. A new major project is for a pipeline which will eventually deliver it into Winnipeg from the Calgary fields.

In Eastern Canada, Imperial Oil has washed out part of the great salt deposits some 2,000 ft. underground at their Sarnia refinery, to create a vast natural storage cavern for many thousands of gallons.

Native Advantages

Propane is more expensive than fuel oil or natural gas but it has many advantages including its clean-burning properties, high Btu qualities. The asset which made it a marketable proposition was the ease with which it can be converted into a liquid under pressure and the equal ease with which it vaporizes when the pressure is reduced. This has enabled the producers to package it in liquid form in small cylinders for delivery to the farmhouse door, and load it into tank trucks in bulk for industrial uses.

The rural housewife has the cylinder connected to her modern gas range, turns the controls, and has cooking facilities at her disposal which could not be bettered in the city. It lights her lamps and heats her house, operates her refrigerator, provides constant hot water. Most gas stove manufacturers produce ranges with specially adjusted propane burners at regular prices, and the list of other propane household appliances grows constantly.

A few years ago, it was estimated that there were 600,000 potential family users in Ontario alone beyond the end of the gas mains. But that ceiling has been pushed way up since then as population grew and the distribution firms began to expand.

The market for propane in industrial and utility fields has developed to a remarkable degree, as the unique properties of the gas were investigated. It has been estimated that industrial and utility applications account for around 75% of total consumption in Canada. It is being used in glass works, steel mills, ceramic plants and textile mills, for tobacco curing and food processing. A baking plant in Ontario uses enough propane annually to supply a town of 20,000 people. At Markham, Ont., within the last year or so, a firm has been using propane units to dry out grain brought in from surrounding farms.

A growing number of gas utility companies are using propane to supplement their own supplies of manufactured gas. In these cases, the propane is usually mixed with air and then with the manufactured gas for distribution through the mains. Union Gas Co. of Canada has been using propane for a number of years to meet high customer demand in the winter months. Four years ago, Consumers' Gas of Toronto installed storage tanks with capacity for hundreds of thousands of gallons of propane.

Stand-By Use

A new idea in this field which is now being investigated is for a propane plant to be installed as a stand-by for emergencies in utility undertakings.

Great Sweet Grass Oils

LIMITED . . . . with varying interests in more than 1,200,000 acres in over 20 fields in Canada and the United States — has currently proved natural GAS RESERVES of at least 96 BILLION CUBIC FEET and, together with associates, is developing further potential in three proven natural gas fields as follows:

STEVEVILLE AREA, ALTA.

Earlier this year, a farmout arrangement was completed with Canadian Export Gas Limited on 59,252 acres of joint holdings, to make available $900,000 for drilling 27 wells to earn a 50% interest in the acreage and in 3 completed gas wells plus a Viking oil well previously drilled. Sixteen wells have already been drilled of which 15 were completed as successfully as natural gas wells. The **company's share of the gas reserves on this acreage proved to date** are estimated at approximately **87 billion cubic feet.** Great Sweet Grass holds an average of about 30% of the net interest in the 59,000 acres farmed out, and, also, holds 100% of the net interest in Sweet Grass Maygill No. 1A well and the section on which it is located. This well has an indicated net reserve of **32 billion cubic feet** of natural gas.

KESSLER AREA, ALTA.

Great Sweet Grass and associates hold reservations covering about 67,000 acres in this area. The discovery well was completed as a successful gas well with an open-low potential of **67 million cubic feet** of gas daily. Great Sweet Grass has a 50% net interest. Several additional wells have been completed indicating a gas field extending for some **11½ miles.** The Company's interest in gas reserves after completion of the first 3 wells in this field was estimated at **7½ billion cubic feet of natural gas.** Subsequent wells have added substantially to this estimate.

PRINCESS AREA, ALTA.

The Company holds 9 sections of petroleum and natural gas rights, two of which are located 5 miles west of the Company's big gas well in the Steveville area. Other operators recently drilled the Gulf States No. 2 well 1½ miles west of this acreage, which was completed as a successful gas well. Some of this new acreage is situated in the vicinity of the two sections in which Great Sweet Grass holds a 50% net interest, together with the same interest in a capped gas well with an indicated potential of **17 million cubic feet** of natural gas daily.

OTHER INTERESTS

Great Sweet Grass holds a 12½% interest in reservations covering 800,000-acres in the Duck Mountain Forest reserve of Manitoba, where following an encouraging photomosaic survey core hole drilling was undertaken and is now in progress with encouraging disclosures.

In the Fairways area of Alberta, Great Sweet Grass holds a 97½% interest in 80,000 acres on which the company plans to drill on its own account. The location provides convenient access to the gas line in the Pakowki Area, now delivering natural gas across the U. S. Border.

Great Sweet Grass Oils Ltd.
Interests in Canada and the U.S.A.

	Acres	% of Net Interest
IN ALBERTA		
Bonnyville	326	100
Compeer	1,280	50
East Big Valley	160	100
Ellerslie	120	50-75
Fairways	80,000	97½
Grand Prairie	19,200	25
Kavanaugh	240	100
Kessler	67,000	18¾-50
Lesser Slave Lake	1,120	100
Namao	160	15-32½
Princess	19,240	50-95
Scotfield	160	100
Steveville	60,000	18¾-100
Wabamum Lake	320	100
Waite Valley	320	100
IN SASKATCHEWAN		
Maidstone	2,080	22½
IN MANITOBA		
Duck Mountain Reserve	800,000	12½
Brandon & Pilot Mound	83,000	100
IN BRITISH COLUMBIA		
Vancouver Island	10,000	100
IN ONTARIO		
Chatham	823	100
IN U. S. A		
McCone County, Montana	2,520	9
LaPorte Prospect, Texas	923	6¼

The company has varying interests up to 100% in 29 standing gas wells, 7 standing oil wells and 5 producing oil wells.

Great Sweet Grass Oils Limited

810 Concourse Bldg — 100 Adelaide St. West

TORONTO, ONT.

The company's shares are listed on The Toronto Stock Exchange and will shortly be called for trading on The American Stock Exchange.

Here's Where Oil, Gas Drilling Stands Now

(Continued from page 65)

Area	Well	Location	Depth (feet)	Remarks:
Pembina	Stanolind H. B. Pembina Cr. "F" 9	4-27-47- 8w5	....	Location
"	Stanolind H. B. Pembina Cr. "F" 8	6-27-47- 8w5	5,218	Drilling
"	Stanolind H. B. Pembina Cr. "F" 7	12-27-47- 8w5	5,292	Cardium oilwell
"	Stanolind H. B. Pembina Cr. "F" 25	2-30-47- 8w5	....	Location
"	Stanolind H. B. Pembina Cr. "F" 21	2-31-47- 8w5	....	Location
"	Stanolind H.B. Pembina Cr. "F" 20	8-31-47- 8w5	....	Location
"	Stanolind H. B. Pembina Cr. "F" 17	2-32-47- 8w5	....	Location
"	Stanolind H. B. Pembina Cr. "F" 19	4-32-47- 8w5	....	Rigging
"	Stanolind H. B. Pembina Cr. "F" 18	6-32-47- 8w5	630	Drilling
"	Stanolind H. B. Pembina Cr. "F" 16	8-32-47- 8w5	5,350	Cardium oilwell
"	Stanolind H. B. Pembina Cr. "F" 6	2-33-47- 8w5	5,335	Cardium oilwell
"	Stanolind H. B. Pembina Cr. "F" 15	4-33-47- 8w5	....	Rigging
"	Stanolind H. B. Pembina Cr. "F" 14	6-33-47- 8w5	....	Rigging
"	Stanolind H. B. Pembina Cr. "G" 1	16-35-47- 9w5	5,184	Drilling
Pemb-Buck Cr.	Imperial Can. Sup. Buck Cr. 6-29C	6-29-48- 6w5	360	Drilling
"	Imperial Can. Sup. Buck Cr. 16-32C	16-32-48- 6w5	....	Rigging
Pembina	Socony Seab'd Pembina 6-10	10- 6-48- 8w5	2,685	Drilling
"	Socony Seab'd Pembina 6-16	16- 6-48- 8w5	5,197	Cardium oilwell
"	Socony Seab'd Pembina 7-2	2- 7-48- 8w5	....	Location
"	Socony Seab'd Pembina 7-10	10- 7-48- 8w5	....	Location
"	Socony Seab'd Pembina 7-16	16- 7-48- 8w5	....	Location
"	Socony Seab'd Pembina 11-16	16-11-48- 8w5	5,230	Preparing to perforate
"	Socony Seab'd Pembina 13-6	6-13-48- 8w5	....	Location
"	Oilwell Operators Pembina 14-13	14-13-48- 8w5	1,393	Drilling
"	Socony Seab'd Pembina 14-2	2-14-48- 8w5	4,863	Drilling
"	Mountain Park Pembina 2	6-14-48- 8w5	4,792	Drilling
"	Socony Seab'd Pembina 18-16	16-18-48- 8w5	5,426	Completing
"	Socony Seab'd Pembina 18-14	14-18-48- 8w5	1,950	Drilling
"	Socony Seab'd Pembina 19-2	2-19-48- 8w5	....	Location
"	Bishop Fina Pembina 10-21	10-21-48- 8w5	....	Location
"	West Can. C. F. P. Pembina 12-21	12-21-48- 8w5	5,228	Cardium oilwell
"	Socony Seab'd Pembina 22-16	16-22-48- 8w5	....	Location
"	Dome W. Can. C.F.P. Pembina 2-23	2-23-48- 8w5	....	Location
"	Dome W. Can. C.F.P. Pembina 4-23	4-23-48- 8w5	5,042	Coring
"	Socony Seab'd Pembina 23-12	12-23-48- 8w5	....	Location
"	Dome W. Can. C.F.P. Pembina 8-23	8-23-48- 8w5	....	Location
"	Dome W. Can. C.F.P. Pembina 6-24	6-24-48- 8w5	....	Location
"	Stanolind H. B. Pembina Cr. "A" 13	12-12-48- 9w5	....	Location
"	Stanolind H.B. Pembina Cr. "A" 12	14-12-48- 9w5	....	Location
"	Stanolind H.B. Pembina Cr. "A" 3	6-13-48- 9w5	622	Drilling
"	Stanolind H B. Pembina Cr. "A" 2	14-13-48- 9w5	....	Location
"	Stanolind H.B. Pembina Cr. "A" 4	8-14-48- 9w5	....	Location
"	Stanolind H.B. Pembina Cr. "A" 5	16-14-48- 9w5	....	Location
"	Stanolind H.B. Pembina Cr. "A" 6	4-24-48- 9w5	2,540	Drilling
"	Stanolind H.B. Pembina Cr. "A" 7	6-24-48- 9w4	200	Drilling
"	Stanolind H.B. Pembina Cr. "A" 8	12-24-48- 9w5	5,318	Cardium oilwell
"	Stanolind H. B. Pembina Cr. "A" 9	14-24-48- 9w4	625	Drilling
"	Stanolind H. B. Pembina Cr. "B" 1	10-35-48- 9w5	3,170	Drilling
"	Stanolind H. B. Pembina Cr. "B" 2	16-35-48- 9w5	....	Location
"	Socony Seab'd Drayton VL .5-14	14- 5-49- 7w5	....	Rigging
"	Socony Seab'd Drayton VL. 8-4	4- 8-49- 7w5	4,861	Cardium oilwell
"	Ohio Drayton Valley Cr. 8-8	8- 8-49- 7w5	4,305	Drilling
"	Socony Seab'd Drayton Valley 9-2	2- 9-49- 7w5	....	Rigging
"	Socony Seab'd Drayton Vl. 17-4	4-17-49- 7w5	....	Location
"	Socony Seab'd Drayton Vl. 9-10	10- 9-49- 7w5	4,839	Cardium oilwell
"	McColl Frontenac N. Pembina 16-9	16- 9-49- 8w5	6,114	Cardium oilwell
"	Socony Seab'd N. Pembina 12-2	2-12-49- 8w5	....	Location
"	McColl Frontenac N. Pembina 6-15	6-15-49- 8w5	....	Location
"	Socony Seab'd N. Pembina 15-8	8-15-49- 8w5	5,098	Cardium oilwell
"	Scurry Rainbow Pembina 2	4-16-49- 8w5	....	Location
"	Scurry Rainbow Pembina 3	6-16-49- 8w5	....	Location
"	Scurry Rainbow Pembina 4	8-16-49- 8w5	5,200	Standing cemente
"	Socony Seab'd N. Pembina 16-10	10-16-49- 8w5	5,236	Completing
"	Stanolind H. B. Pembina Cr. "B" 10	14-12-49- 9w5	....	Location
Rodney Creek	Southern Product'n Atlantic A2-2	6-29-50-17w5	....	Building roads
Pemb-Cynthia	Imperial Cynthia 13-5-51-11	13- 5-51-11w5	7,557	Testing
Edson	H. B. Richfield Edson 2	7-27-51-19w5	6,680	Drilling
Pemb-Cynthia	Imperial Cynthia 3-1-52-11	3- 1-52-11w5	10,311	Suspended
Peers	Shell Mackay B6-33	6-33-53-12w5	....	Location
Glenevis	Texaco Glenevis A15-35	15-35-55- 4w5	4,420	Mississippian oilwell
McLeod Valley	Shell McLeod B10-12	10-12-55-15w5	6,296	Drilling
Edson	Fina Stanol'd H.B. Sundance 15-29	15-29-55-17w5	12,290	Drilling
Majeau Lake	Mid Western Majeau B6-36	6-36-56- 4w5	4,303	Abandoned
Greencourt	Gulf Blue Ridge 8-11	8-11-58- 8w5	6,130	Abandoned
Thunder Lake	Gulf Thunder Lake 9-9	9- 9-59- 5w5	3,945	Testing
Whitecourt	Merrill Cities Service White 15-4	15- 4-60-12w5	4,957	Driling
Virginia Hills	Imp. Virginia Hills 4-24-63-11	4-24-63-11w5	....	Building roads
Tony Creek	Stanolind Tony Creek "A" 1	11-32-63-21w5	....	Location
Simmonette R.	Amerada Crown "AH" 3-23	3-23-66-26w5	....	Moving in
Sturgeon Lk.	Gulf Little Smoky 15-8	15- 8-67-22w5	7,112	Drilling
"	Gulf Little Smoky 1-27	1-27-67-22w5	....	Location
"	Gulf Little Smoky 3-27	3-27-67-22w5	7,606	Drilling
"	Amerada Crown "AE" 9-8	9- 8-67-23w5	11,045	Suspended
"	Amerada Crown "AG" 11-15	11-15-67-23w5	10,176	Abandoned
"	Hudson's Bay Union Liberal 3-31	3-31-68-21w5	?	Drilling
"	Hudson's Bay Union Liberal 11-25	11-25-68-22w5	376	Drilling
Simonette Riv.	Amerada Crown "A1" 1-29	1-29-68-26w5	....	Moving in
Sturgeon Lk.	Amerada H.B. Un. Crown "Y" 7-15	7-15-69-22w5	7,980	Drilling
"	Shell S. Sturgeon Lake "SB" 1-12	1-12-69-22w5	....	Moving in
Iroquois	Muskeg Gilwood "A" 2	9- 9-73-18w5	?	Drilling

West of Sixth Meridian

Torrens River	Jerd 1	13-14-61-13w6	616	Standing
Economy Creek	Stanolind Economy Creek "A" 1	2- 4-70- 1w6	....	Location
La Glace	Sinclair Banff Buffalo Lk. Cr. 1	7-26-74- 8w6	9,010	Testing
Gundy	Glacier Gundy A1	7-33-76-13w6	3,725	Drilling
Braeburn	Gulf Braeburn 16-19	16-19-77-10w6	11,028	Testing
Baytree	Pathfinder et. al. Baytree 2	6- 4-80-12w6	....	Location
Pouce Coupe	Pacific Pouce Coupe 4	6-22-80-12w6	2,368	Cadotte gaswell
Clear Hills	Gulf Clear Hills 4-15	4-15-83- 2w6	30	Drilling

Latest New Locations

Comrey	New British Comrey 2	10-16- 2- 6w4	?	Drilling
Rolling Hills	Can. Export Rolling Hills 11-23	11-23-15-15w4	....	Location
Makepeace	Socony C.P.R. Makepeace 27-10	10-27-23-19w4	....	Location
Kinmundy	Gulf Big Stone 5-33	5-33-24- 9w4	....	Location
Wayne	Gr. Plains Triad Soc. Way. A4-22	4-22-27-20w4	....	Moving in
Provost	Calvan Provost 7-30	7-30-35- 6w4	....	Location
Hamilton Lk.	Nat. Bulk Carriers Inc. 16-18	16-18-35- 9w4	....	Location
Fenn-Big Vl.	Gulf Law 15	15-14-35-20w4	....	Location
"	Gulf C.P.R. Robert 13	13-35-36-20w4	....	Location
Erskine	Oilwell Oper. Erskine 6-13	6-13-39-21w4	....	Moving in
Greenglade	Shell Greenglade C11-9	11- 9-41- 1w4	....	Location
Dunn	Baysel Supertest Dunn 6-28	6-28-44- 1w4	....	Location
"	Baysel Supertest Dunn 1-2	1- 2-44- 3w4	....	Moving in
"	Baysel Supertest Dunn 6-3	6- 3-44- 3w4	....	Location
"	Baysel Supertest Dunn 3-25	3-25-44- 3w4	....	Location
"	Baysel Supertest Dunn 7-15	7-15-45- 3w4	....	Location
"	Baysel Supertest Dunn 4-13	4-13-45- 4w4	....	Location
Driedmeat Lk.	Cleary Driedmeat 3	16-26-45-20w4	....	Location
Joarcam	Bay Shea 5	5-23-46-20w4	1,764	Drilling
Bonnie Glen	Texaco Pigeon Lake 10-26	10-26-46-28w4	....	Location
Joarcam	Anglo et. al. Armena 4-6	6- 4-49-21w4	200	Drilling
Lloydminster	Nuco Blackfoot 10B30	10-30-50- 1w4	....	Location
Pembina	Hudson's Bay Pembina 2-8-47-7	2- 8-47- 7w5	....	Location
"	Stanol'd H.B. Pembina Cr. "F" 22	16-30-47- 8w5	....	Location
"	Mic Mac Yankee Princess 10-35	10-35-47- 8w5	....	Location
"	B.A. Pembina 12-36	12-36-47- 8w5	....	Location
"	Hudson's Bay West Pembina 1	6-34-47-10w5	....	Moving in
"	Socony Seaboard Pembina 11-10	10-11-48- 8w5	....	Location
"	Stanol'd H.B. Pembina Cr. "A" 34	4-15-48- 9w5	....	Location
"	Stanol'd H.B. Pembina Cr. "A" 35	12-15-48- 9w5	....	Location
"	Stanol'd H.B. Pembina Cr. "A" 23	2-16-48- 9w5	....	Location
"	Stanol'd H.B. Pembina Cr. "A" 30	8-16-48- 9w5	....	Location
"	Stanol'd H.B. Pembina Cr. "A" 25	16-16-43- 9w5	....	Moving in
"	Soc. Seaboard Drayton Vl. 9-8	8- 9-49- 7w5	....	Location
"	Soc. Seaboard Drayton Vl. 9-16	16- 9-49- 7w5	....	Location
"	McColl Front. N. Pembina 10-9	10- 9-49- 8w5	1,890	Drilling
"	Soc. Seaboard N. Pembina 15-12	12-15-49- 8w5	1,500	Drilling
"	Soc. Seaboard N. Pembina 16-12	12-16-49- 8w5	....	Location
"	Soc. Seaboard N. Pembina 16-14	14-16-49- 8w5	....	Location
"	Stanol'd H.B. Pembina Cr. "B" 13	8-11-49- 9w5	....	Moving in
Giroux Lake	Stanol'd Giroux Lake 1	6-20-65-20w5	....	Location
Flatbush	Union Imperial Flatbush 6-27	6-27-66- 1w5	....	Location
Sturgeon Lk.	Amer. H.B. Un. Crown "Y" 13-1	13- 1-69-22w5	....	Location
Chinook Ridge	Stanol'd Chinook Ridge A1	3-12-65-13w5	....	Location
Willingdon	Willingdon Gordy 1	4-36-55-15w4	....	Location
"	Willingdon Fodchuk 1	1- 4-56-15w4	....	Location
Bonnyville	Bankers Griffen 3	16-31-63- 7w4	....	Rigging
Pembina	McColl-Frontenac S. Pem. 4.3	4- 3-48- 8w5	....	Location
"	Soc. Seaboard Pembina 14-14	14-14-18- 8w5	....	Location
"	Soc. Seaboard N. Pembina 16-16	16-16-49- 8w5	....	Location

British Columbia

West of Sixth Meridian

Fort St. John	South. Production Atlantic B2-1	16-36-80-20w6	8,557	Drilling
"	South. Production Atlantic B14-1	1-12-84-23w6	1,313	Drilling
"	Pacific Fort St. John 39	6- 7-85-20w6	6,889	Testing
Boundary Lake	N.F.A. Texaco Boundary Lake 1	6- 6-86-13w6	4,321	Testing
Montney	Pacific Sunray Montney 1	16-24-86-19w6	....	Location
"	Pacific Sunray Montney 2	14-36-86-19w6	5,267	Drilling
Nig Creek	Texaco N.F.A. Nig. Creek 4	12-30-94-21w6	3,155	Drilling

Latest New Locations

Halfway	White Lloyd Halfway 1	16- 2-87-25w6	1,660	Drilling
Buick Cr.	N.F.A. Texaco Buick Creek 5	7-24-88-20w6	1,226	Drilling

North West Territories

Latest New Locations

Escarpment Lk.	N.W.T. Escarpment 2	116° 12' 45" W. Long. 60°36' N. Lat.	36	Drilling

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Refinery Company Surveys

(Continued from page 65)

from $6,669,000. Depletion and leases written off rose to $214,655 from $141,743.

Dividends on the common stock were currently being paid at the rate of $1 per share per annum, established with quarterly payment of 25c on March 1, 1952. Previous rate was 50c per share per annum paid semiannually from June, 1948 to June, 1951 inclusive.

Shares outstanding at the end of 1953 were 60,000 4% preferred, par value $100, and 2,607,963 common, n.p.v.

Supertest Petc.

Supertest Petroleum Corp. markets a wide range of petroleum products including motor gasolines, lubricating oils and greases, industrial and domestic fuel oils and other petroleum products for special purposes, to 58 bulk storage plants and warehouses, to industrial and domestic consumers, and to 2,230 retail outlets, of which 846 are owned and controlled by the company. The company's products are marketed in Ontario and Quebec and also consist of tires, tubes, and other automotive accessories. It also operates a fuel oil delivery service.

During 1953 the company put into operation a number of new ultra-modern stations, and some of the older and obsolete buildings were either rebuilt or remodernized.

President W. L. Baragar reported that new sales of petroleum in 1953 again reached a new high, exceeding $44.5 millions. This is some $3.5 millions more than in the 1952 record year.

"No difficulty was experienced during the year in obtaining high quality products to supply the increasing demand for the company's merchandise," the president said.

Consolidated net profit for 1953 was $1,603,595, 10.1% higher than 1952 — $1,456,755. Earnings per preferred share were $68.19 in 1953 ($58 19 in 1952); $2.07 on the common and ordinary ($1.86). The preferred shares paid $5 dividends in both years, and the common paid 80c in both years.

During the year a modern service station design was adapted, and in addition to the building and renovating of the stations, a number of new properties were acquired. A new program of enlarging capacities for storage of gasoline at service stations was implemented.

Expenditures on the capital account were considerably more than had been set aside as reserves, said the president. This was due mainly to the replacement program and the heavy costs of all types of materials.

Capitalization at Dec. 31, 1953, consisted of $2,926,000 4% convertible sinking fund debentures due 1970; $2,351,700 5% cumulative redeemable sinking fund preference shares, $100 par; 125,000,000 common n.p.v. voting shares; 590,275 ordinary n.p.v. non-voting shares.

At Dec. 31, 1953, a subsidiary had outstanding $300,000 4% debentures due March 1, 1957. There were also outstanding mortgages and loans payable of $233,943.

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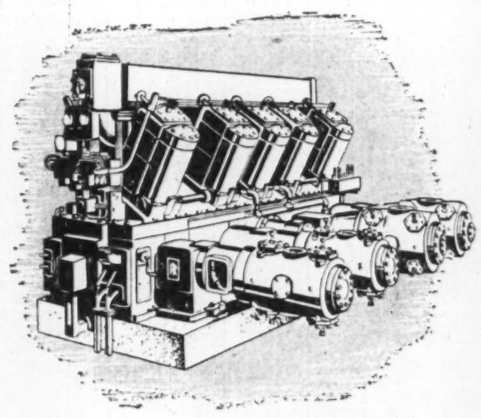

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For all types of maintenance, construction, repair and production work.

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For prime mover service — driving generators, pumps, compressors, etc.

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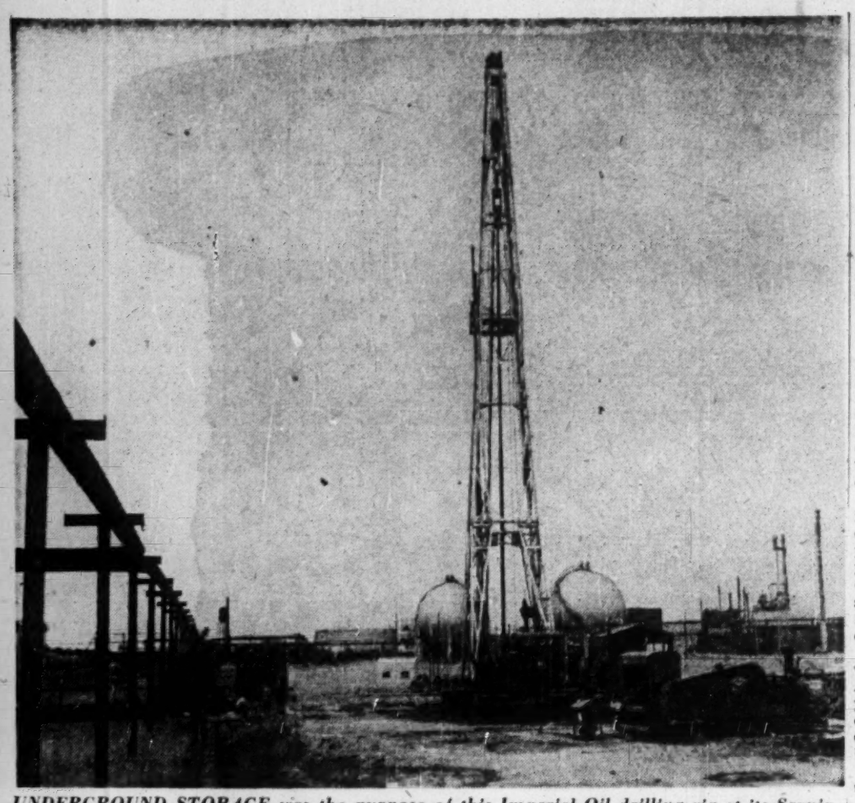

UNDERGROUND STORAGE was the purpose of this Imperial Oil drilling rig at its Sarnia, Ont., refinery. Crews drilled a well to the underlying salt bed, pumped down fresh water to crush out the salt. This left a cavern with a 15,000 bbl. capacity, where Imperial is storing liquefied petroleum gas.

Manitoba Has 'Biggest Year'

Province Close to 50% Oil Self-Sufficiency

The year 1954, biggest in Manitoba's oil industry, will end with the province coming close to the half-way mark of self-sufficiency in its oil requirements.

Daily consumption in Manitoba is estimated at 20,000 bbls. About 205 producing wells whose allowables are fixed by government regulation are now yielding more than 7,000 bbls. daily and by end of the year are expected to top 8,000 bbls.

Late in January, 1955, two months hence, comes the fourth anniversary date of the province's first oil recovery in a well of California Standard Co. which yielded less than 100 bbls. a day.

In four years this initial production has resulted in a lusty industry. And most of the growth has come this year.

Many of the major oil companies and a lot of smaller ones undertook record exploration programs for 1954. The result was new wells in fields previously producing and new indications of oil potential on the southern perimeter of the 3,000 square miles marked as the territory where oil is likely to be recovered. Manitoba now has six designated fields, four around the town of Virden, and two 40 to 50 miles distant.

Total 1954 production up to end of September was 1,418,936 bbls., four times that for the corresponding period in 1953. Except in two months, May and September, production has progressively increased. The two small drops which did occur were only because weather clogged transportation facilities on water-logged roads and temporarily choked off production. At that the September yield was 208,662 bbls., only 16,704 bbls. less than the record 225,202 bbls. in August. Twelve new producing wells were listed in September.

Four New Fields

Four of the province's six oil fields were designated as such this year, by the Oil and Natural Gas Conservation Board. The Board is a provincial organization but somewhat stricter in accepting an area as an oil field than the corresponding authority in neighboring North Dakota. In Manitoba there must be at least three or four steady producers before the area is recognized as a field.

The two fields designated previous to 1954 were Daly, the first one named, and which still is producing more than half the total monthly yield; and Virden-Roselea whose first production in mid-1953 came from the province's first free-flowing well. In September Daly had 116 producers and North-Virden Roselea 41, more than half the last group free flowing.

The four fields designated this year were North Virden-Roselea, also close to the town of Virden; Woodnorth, about 12 miles southeast; and the Whitewater and Pierson fields, both about 50 miles south of Virden.

Two things accounted for the fast development this year. One was the exceptional discovery rate in the latter part of 1953 and the first quarter of 1954. In this period 10 recoveries were made in drilling 20 wildcats, a record which quickly attracted to Manitoba interests which previously had not undertaken exploratory drilling in the province.

Good Market Location

The other factor which helped to boost 1954 production is Manitoba's advantage in market position. Production in this province is still far below fabulous yields of Alberta and considerably less than Saskatchewan. While Alberta is producing far in excess of available market outlets, Manitoba's light gravity oil is finding markets as fast as allowable production permits, a situation which gives Manitoba producers with shorter pipeline transmission, the benefit of maximum wellhead price.

This advantage is likely to continue as long as production doesn't exceed Manitoba refinery capacity, currently 20,400 bbls. a day, which with added facilities planned for 1955 can increase to 23,900 bbls.

The newly-designated Whitewater and Pierson fields have special significance. Located 40 to 50 miles distant from the earlier and larger producers near Virden, there are signs oil may be recovered all over Manitoba's potential oil area, now thought to be a block 60 miles south to north along the Saskatchewan-Manitoba boundary and extending east about 50 miles.

The Town of Virden itself may be sitting on an oil field. A Calgary firm has been willing to take a $40,000 chance that it is and has paid this amount to get leases on streets, lanes, occupied and unoccupied lots of its 640-acre townsite. Leases on the streets and lanes, property of the Crown in right of the province, have been obtained from the Provincial Government.

Several vacant lots which reverted to the municipality through tax sale have been leased by the council. Owners of home and business sites, whether built upon or not, have given leases on their property which give the company permission to start drilling when and where it pleases. The company paid a cash consideration to each owner to get permission to drill and has agreed to split the recoveries with the owners. Costs of drilling are a first claim on any recovery made.

The discovery of new producers and the wider area of their location is requiring extension of pipeline facilities. The Interprovincial pipeline from Alberta comes closest to the Daly field at Cromer about nine miles distant. The collecting pipeline facilities to hook up with the Interprovincial line at Cromer have been acquired by Trans-Prairie Pipelines which is extending its network to take care of large production.

Preparatory for its extension program Trans-Prairie Pipelines in July, 1954, obtained a report on the proven, semi-proven, and possible recoveries in the three largest fields, Daly, Virden-Roselea and North Virden-Roselea. The report prepared by J. C. Sproule and associates, geological and exploration consultants of Calgary, estimated the potential of the three fields at 53,760,912 bbls.

The report also estimated that by the end of the present year their daily production would be 7,500 bbls. As three fields have been designated since, whose potentials were not taken into account, the per diem production for the whole province will likely exceed this figure by Dec. 31.

The report also stated production of the three fields would rise to an estimated peak production of 19,800 bbls. per day in 1956, followed by a decline to 14,000 bbls in 1958, after which the estimated rate of decline would decrease slowly to an estimated combined production of 4,255 bbls. per day in 1964.

Encouraging as has been 1954 progress in the oil industry prospects in the gas industry for inindustrial, commercial and domestic uses has been even brighter. Not that there have been any natural gas shows of significance in Manitoba oil fields. The only one thus far, according to the Sproule report, has been in one well at extreme northeast of present limits of the Daly field where two thin gas zones were encountered.

These two zones, the report said, produced flows up to 10 million cu. ft. per day on drill stem tests.

Even though the gas industry can't count on Manitoba sources of supply, it does count on adequate supplies when the proposed Trans-Canada pipeline is able to deliver from Alberta. In the meantime, Winnipeg & Central Gas Co. has launched an ambitious expansion program which will be well advanced when natural gas reaches Winnipeg from Alberta.

Winnipeg & Central Gas Co. was incorporated early in 1953 to take over the gas utility of Winnipeg Electric Co. when the province acquired the company's hydro-electric plants and electrical distribution facilities. At the time the gas utility was considered a secondary asset but 1954 developments indicate it may become one of great value.

Planning for Gas

The company is planning extensions involving expenditures of between $10 million and $15 million to enlarge its distribution system within limits of the city of Winnipeg.

At the time it took over the utility nearly a year ago it had 146.8 miles of main in the city serving about 15,000 customers, industrial, commercial and domestic. It is aiming for 50,000. Early next spring it will start construction of a 25-mile loop main around the city. Written consent has been obtained from suburban municipalities through which the main will pass and necessary authority to go ahead with it has been given by provincial order-in-council.

In addition the company has already made installations to service two big housing developments outside the city limits. One on the south side is a 60-building project, each building with four dwelling units, 240 in all. The other is for 150 single dwelling units on the west side and work will start on an additional 150 next spring. All the units are to be heated with propane gas from storage tanks with facilities for easy conversion when natural gas becomes available.

An even larger project of the gas company is a $15 million pipeline to bring propane and other hydro carbons to Winnipeg from the west. Work on the first 350-mile section of it is to start in the spring. This first section will be from Winnipeg to Tioga, North Dakota, located nearly due south of Estevan, Saskatchewan. Tioga is in the oil-producing area of the Williston Basin and has available supplies of propane and butane adequate for initial facilities of the line. This first section will cost an estimated $5 millions.

The remaining $10 millions of the estimated cost will be to carry the line across Southern Saskatchewan and thence to the Alberta oil fields. The propane will be piped east in liquid form and reformed in the company's Winnipeg plant for distribution in gas form. The pipeline will help to overcome present disadvantages of freight rates as Winnipeg is too remote from present supply sources to make transportation by usual methods economically feasible.

Winnipeg & Central Gas Co. has also acquired within the past few weeks four propane plants, two in Manitoba and two in Saskatchewan as units in a proposed distribution network.

Thus both the oil and gas industries of Manitoba have made big strides this year. Oil companies have spent close to $35 millions in exploration and their recoveries thus far have been around 15%.

The industry is making some contribution to provincial revenues but in amounts negligible compared to those received by the Alberta Government. Counting the take from oil on lease or reservation, sale of crown land leases, and royalties on production, treasury receipts are not above $160,000.

This does not include a tax on oil production imposed by statute at last winter's Legislative session. The tax, effective from April 1, 1954, works out at about 3c a barrel. For the current year it will yield between $65,000 and $80,000.

Oil Firm Progress

Canadian Superior

Substantial gain in production of oil accrued to Canadian Superior Oil of California in the fiscal year ended Aug. 31, 1954. Net production to the company increased by 506,786 bbls. to total 878,318 bbls., from 63 wholly-owned wells and 37 in which the company has royalty or joint interests.

Acreage position at the fiscal year end was reduced to approximately 3.23 million acres of leases, reservations and options in the three Prairie Provinces. Reduction was mainly the result of lands surrendered or assigned to other companies under farm-out agreements.

Ten drilling rigs were engaged in exploratory operations and two on development drilling on company lands at Oct. 15 of this year, while seven geophysical crews were conducting seismic surveys under agreements calling for exploratory drilling at no cost in money to the company.

Thirty-six wholly-owned wells were drilled by the company in Alberta and Manitoba during the year ended Aug. 31 and all were completed as oil producers. Of eight joint ventures drilled during the time, four are producing oil and one is shut in as a gas well; the rest were dry.

Under farmout agreements 35 wells were put down by others of which nine wells obtained oil production and five were gassers; 29 of these wells were completed at no cost to the company. Acreage was contributed for 31 ventures drilled under bottom hole agreements and cash contributions were made toward the cost of five wells drilled on lands adjacent to company property.

Company deems itself to be in an exploratory and development stage and so capitalizes its expenditures less production revenue. Such net expenditures were $2,036,571 in the 1954 fiscal year after deducting income of $2,280,519. Total net expenditures so capitalized since inception of the company amounted to $16,711,009 at Aug. 31, 1954. Working capital was $5,320,725, and included cash of $4,656,572.

Canso Oil Prod.

Canso Oil Producers is the oil production entity of the three companies into which Canada Southern Oils, Ltd. was split earlier this year. Company holds leases and reservations totaling 515,991 net acres in three adjoining blocks in southwestern Saskatchewan. Production revenue is derived from its 33 light oil wells in the Smiley-Dewar field and from seven owned and 16 half-owned heavy grade oil producers at Buffalo Coulee.

Company recently sold its 50% share in 9,000 acres and more than 90 heavy oil wells in the Coleville field for $4 million cash. Production loans against the wells were retired from the proceeds, and the balance will be used to explore present properties and to acquire new lands if deemed advisable.

A one-rig program was commenced in August of this year, designed to be both a development and exploratory project. Basic objective is to point up completely new areas as well as areas heretofore considered uneconomic, for subsequent large-scale development.

Six wells are definitely scheduled under the program, including a Viking test and a gas/oil interface well at Smiley, a stepout well to extend the oil-bearing Cretaceous zone at Eureka, and a wildcat in the Hoosier area with a Viking sand objective. Two wells already drilled with the New Superior group in the Cook Lake area struck gas, but a third was dry.

Split-up of the predecessor company, Canada Southern Oils, was effected in April of this year through an exchange of stocks on the basis of four shares of Canso Oil Producers, five shares of Canso Natural Gas and eight of Canada Southern Petroleum for each eight shares held of Canada Southern Oils.

For company reports on Calgary & Edmonton Corp., Canadian Atlantic Oil and Canadian Decalta see page 35.

Record of Oil Drilling Firms

Hi-Tower Drilling

A contract drilling company, Hi-Tower Drilling Co. Ltd. (formerly McIvor Drilling Co. Ltd.) operates oil well drilling equipment which includes nine diesel drilling rigs.

The company has also participated in oil field development, and has a 20% interest in the Roselea Syndicate which has interest ranging from 12.16% to 50% in seven oil producers in the Virden-Roselea area of Manitoba.

A net profit of $112,492 for the year ended Feb. 28, 1954, compared with $175,593 in the previous year and $445,102 in the year ended Feb. 29, 1952. Earnings in the latest year were equal to 78c a share while $1 a share was paid in dividends.

A program of modernization has been conducted in recent years in order that the company may meet the larger degree of competition now being experienced in the contract drilling business. The company has 145,000 common shares outstanding and there is no funded debt.

Parker Drilling

A reduction in net profit to $127,545 is reported by Parker Drilling Co. of Canada for year ended April 30, 1954. This compared with a net profit for the period May 7, 1952, to April 30, 1953, of $279,965. However, depreciation was heavier at $276,864 in the latest year as against $241,768 in the earlier period.

The net profit for the earlier period also included $84,070 profit of a wholly-owned U. S. subsidiary from date of acquisition to liquidation.

Assets at April 30, 1954, totalled at $1,779,257. Current assets of $912,774 included cash and bonds of $458,695. Current liabilities were $255,747 while earned surplus amounted to $128,507.

Parker Drilling owns approximately a dozen drill rigs including a new 12,000-ft. rig. Conditions have been much more competitive in the drilling business in the last two or three years. This particular season was affected by the slow start of a higher level of drilling — due to poor road conditions — but gradual expansion of drilling activities at Pembina has assisted the over-all outlook for the drilling industry.

Pontiac Pete.

Pontiac Petroleums owns two drilling rigs and operates chiefly as an oil well drilling contractor. The rigs have been shipped to Israel, where the company is exploring about 800,000 acres of permits for a half interest in any production that may ensue.

Company is carrying out geophysical surveys of these lands, and has spudded its first driller near Mount Carmel, about 25 miles from Haifa. Pontiac will provide all drilling costs of this deep test, and 50% of completion costs if commercial production of oil is obtained.

Pontiac also has 10% and 35%, respectively, in two producing oil wells in the Leduc field, Alberta, and 5% in a producer in Texas.

Total of $190,000 was recently received through an underwriting of shares, and 400,000 shares are under option at $1.90 to $2.65 a share. Authorized capital is 3 million shares, of which 2,150,000 shares are issued.

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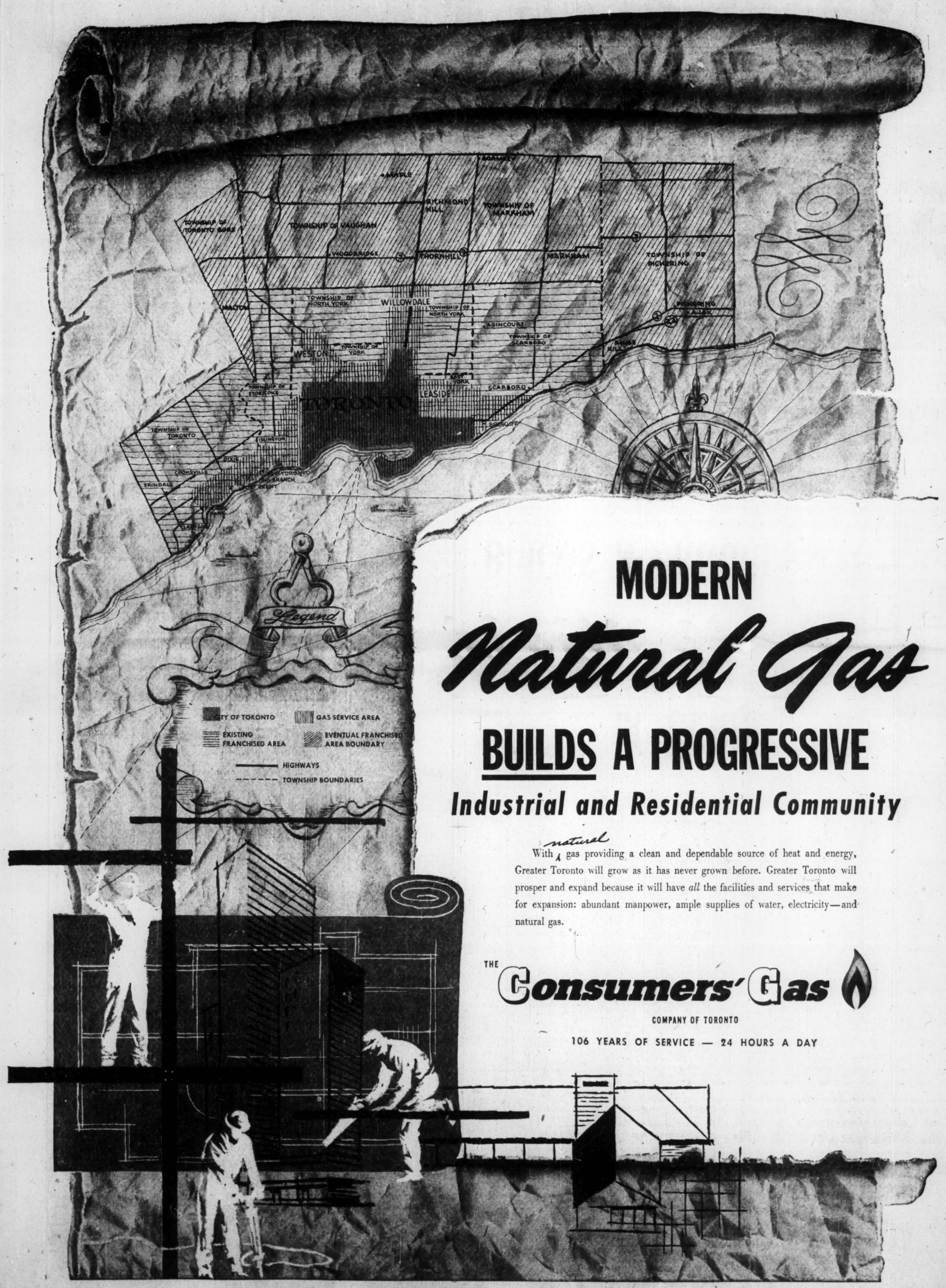

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